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# ***Daily Report***

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## **China**

**FBIS-CHI-94-166  
Friday  
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# Daily Report

## China

FBIS-CHI-94-166

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26 August 1994

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## General

### Commentary Views Current International Affairs

HK2608075194 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 26 Aug 94 p 6

["Weekly Commentary on Current Affairs," by Shi Jia  
(2514 0163)]

#### [Text] U.S.-Cuban Ties Deteriorate Further

When President Clinton announced on 19 August that the United States would no longer allow illegal Cuban immigrants to enter the country, the U.S. Navy immediately took all sorts of actions to intercept the illegal immigrants. However, the change in U.S. policy toward Cuban refugees could not stop the new flow of refugees. Almost every day over the past few days, there have been more than 1,000 Cuban refugees using ships to cross the strait to the United States, which has further worsened the already tense U.S.-Cuban relations.

Since the 1960's, the United States has always been hostile to Cuba. In order to subvert the Cuban regime, all previous U.S. governments have adopted a dual policy: On the one hand, they implement a blockade and embargo policy toward Cuba; on the other, they encourage Cubans to escape illegally to the United States, offering them all kinds of "preferences." Nonetheless, the economic blockade, which made life very difficult for the Cubans, could not topple the Cuban regime. Conversely, the flow of Cuban migrants aggravated the burden on the United States. As a result, the Clinton administration had to readjust its policy toward the Cuban migrants. To maintain pressure on the Cuban Government, Clinton announced another four new restrictive measures.

The main factor deteriorating U.S.-Cuban ties has been the hegemonist policy pursued by the United States, from the Cold War up to the present. Following the end of the Cold War, the United States should have forsaken this policy. The public has noted that the United States indicated on 22 August that it was willing to hold talks with Cuba on the migrant issue. U.S. officials also said that the report on the United States blockading Cuba was not true. It seems that negotiations are the only way out to resolve the U.S.-Cuban contradiction.

#### France Ends "Operation Turquoise"

The last batch of French troops withdrew from Rwanda on 21 August, bringing an end to France's "Operation Turquoise," characterized by "humanitarian intervention" in Rwanda.

The direct cause of France's military intervention in Rwanda was the unprecedentedly cruel massacre among the Rwandans which broke out following the murder of the Rwandan president in April. More than 100,000 were killed within a short period of only two months, and millions escaped to the neighboring countries. As the

international community was quite helpless on the matter, France took the initiative to request a military intervention in Rwanda to manifest "the important role it is playing in Africa." Authorized by the UN Security Council, France dispatched 2,500 troops to Rwanda on 23 June.

The European Union adopted a wait-and-see attitude toward France's action, but the Rwandan Patriotic Front was opposed to the French "aggression." As a consequence, the French troops had to severely restrict their action. Over the past two months, the "military intervention" resulted in a relaxation of the mass killing in some parts of Rwanda and provided relief to some refugees, but "failed to stabilize the situation in Rwanda." To restore peace in Rwanda, new efforts are required by relevant Rwandan parties and the international community.

#### New Progress Made in the Middle East Peace Process

Recently, new progress has been made in the Middle East peace process.

Concerning Palestinian-Israeli relations, Israel released 250 Palestinian prisoners on 19 August. On the same day, Israeli Foreign Minister Peres made his first visit to Gaza and met with 'Arafat. The talks between Palestine and Israel are still in progress, and in particular, a new agreement was reached at the talks on 23 August on Israel's handing over the occupied territory to Palestine.

Regarding Jordanian-Israeli relations, Jordan recently initiated an economic agreement. Focused on the border channels, water resources, and environment, the working committees of the two sides are continuing their discussions. Moreover, Jordan and Palestine held ministerial consultations 21-22 August to coordinate their positions.

Backstage activities are underway for Syrian-Israeli talks and Lebanese-Israeli talks, which are at a standstill. Lebanese Foreign Minister Faris Buwayz disclosed that a breakthrough to the talks is likely in the coming months. Israeli Prime Minister Rabin asserted that Israeli-Syrian peace must be achieved before 1996. Thus it can be seen that the peace process in the Middle East is irreversible.

#### 'Roundup' Views Cuba-U.S. Immigration Conflict

OW2608111394 Beijing XINHUA Domestic Service in  
Chinese 0955 GMT 25 Aug 94

["Roundup" by XINHUA reporter Yan Qinghua (7346  
1987 5478): "Cuba-U.S. Conflict Over Illegal Immigration Issue Escalates"]

[Text] Havana, 24 Aug (XINHUA)—Recently, the illegal flight of large numbers of Cubans to the United States, and stronger economic and diplomatic pressures applied by the United States against Cuba, have once again intensified the tension in bilateral relations.

On 19 August, U.S. President Clinton proclaimed: Beginning today, the United States will intercept Cuban

stowaways on the high seas and send them to its Guantanamo Naval Base in Cuba. No Cuban stowaways will be allowed into the United States. U.S. officials later explained: The United States will help those who want to return to Cuba. Those who do not want to return will be kept on the base for an indefinite period or sent to refugee camps in a third country.

The next day President Clinton announced a new four-point measure against Cuba. The measure bans Cubans in the United States from remitting money or mailing gifts to their relatives and friends in Cuba, reduces charter flights between Miami and Havana, intensifies anti-Cuba propaganda on radio and television, and asks the United Nations to denounce Cuba's "human rights violations."

On 24 August, U.S. Defense Secretary Perry said: Thus far, 2,000 Cuban stowaways have been sent to Guantanamo Naval Base, while another 7,000 are on their way to the base. He said: The facilities on Guantanamo Naval Base will be expanded to accommodate 40,000 illegal immigrants by the end of this week.

Cuba has reacted strongly to the aforementioned U.S. measure. On 19 August, the Cuban Foreign Ministry lodged a protest, billing as an "illegal action" the U.S.'s conversion of Guantanamo on Cuban territory into a "concentration camp" for holding illegal Cuban immigrants. Cuban Foreign Minister Robaina held news conferences on several occasions while visiting some Latin American countries. He pointed out: The measure taken by the U.S. Government to intercept Cuban stowaways is only a cosmetic action and cannot solve problems far removed from the realm of immigration. This is because the root cause of the immigration issue is the U.S. economic blockade against Cuba. He said: Sending Cuban stowaways to Guantanamo Base will "heat up the already strained Cuba-U.S. relations." In a commentary, GRANMA, the Cuban Communist Party Central Committee's organ, denounced the new U.S. measure for "adding fuel to the fire," instead of defusing the crisis stemming from the flight of illegal Cuban immigrants to the United States. Some Cuban groups in the United States also call the measure "inhuman and unacceptable."

The Cuba-U.S. conflict over illegal immigration has been around for a long time. Since 1966, the United States has consistently pursued the policy of granting "political refugee" status to any illegal Cuban immigrant who steps on U.S. soil, automatically granting the right of residence after the immigrant has lived in the United States for one year. Under an agreement reached by the two countries in 1984, the United States should have set aside 20,000 visa quotas for Cubans who legally applied for immigration to the United States. However, Cuba says that the United States has failed to honor the agreement, issuing visas to only 2,500 people annually. Meanwhile, it has welcomed stowaways with open arms. Cuba maintains that its people have illegally fled the country precisely because the United States has aided

and abetted them. According to statistics compiled by the U.S. Defense Department, more than 11,600 Cubans illegally fled to the United States in August. On 23 August, the number of stowaways topped 3,000, the highest for a single day since 1980.

On 24 August, in the latest development, the Cuban Government signaled, through its foreign minister and permanent representative to the United Nations, its desire to hold direct talks with the United States. It added, however, that the talks must be held on the basis of equality and respect for Cuba's sovereignty, and must address the causes of the immigration issue, such as the U.S. embargo against Cuba and other major problems pertaining to bilateral relations. These include an end to the illegal U.S. occupation of Guantanamo and to subversive U.S. propaganda against Cuba on radio and television. Foreign Minister Robaina said emphatically: During the talks, Cuba will never beg the United States or accept any preconditions.

### QIUSHI Views Maintaining Status of PRC

HK2208145494 Beijing QIUSHI in Chinese No 14,  
16 Jul 94 pp 22-26

[Article by Pang Renzhi (1690 0088 5347) of the National Defense University: "Strategy for Permanently Maintaining the Honorable Status of the Chinese Nation Among All Nations of the World"]

[Text] The greatest common aspiration that the Chinese nation cherished for more than 100 years after the Opium War was to rid herself of the invasion and enslavement by the imperialists, put an end to the division of the country, achieve independence and national emancipation, end poverty and move toward prosperity, and earn dignity and a proper status in the international community. The founding of New China in 1949 was a declaration that the Chinese people would stand up from then on. Over the past four decades or so, especially since the Third Plenary Session of the 11th CPC Central Committee, as the construction undertakings of our country moved ahead, China's international status and prestige have been rising daily. With deep feeling, Deng Xiaoping pointed out: "As the Chinese people were able to stand up, they must be able to maintain a permanently firm status among all nations of the world." (*Selected Works of Deng Xiaoping* Vol 3, p 323) This prediction, embodying Deng Xiaoping's great patriotic sentiments, was not made out of thin air. Rather, it has a sound ideological foundation, just as anything else he has said or done is a product of his spirit of seeking truth from facts. According to Deng Xiaoping's thinking, for the Chinese nation to have an international status of its own, it is imperative to uphold the principle of maintaining independence and keeping the initiative in our own hands. In upholding the principle of maintaining independence and holding the initiative, it is imperative to implement this principle in all our undertakings; put this principle into the opening up

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drive and peaceful coexistence; and, most important of all, we must run our economic development well. This thought can be regarded as a strategy for permanently maintaining the honorable status of the Chinese nation among all nations of the world.

**Without Upholding Independence and Initiative, China Would Not Have Had Any International Status**

The CPC, since it was founded, has always found itself under intricate domestic and international circumstances. In the extended periods of struggle, the CPC has always upheld independence and initiative as the principle for handling its relationships with the external world. It was upon the principle of independence and initiative that our party handled its relationship with the Comintern and with the Kuomintang. History proves that without upholding independence and initiative, the CPC would not have had any status and the democratic revolution would not have succeeded.

After New China was founded, the CPC became the ruling party. The principle of independence and initiative then followed found concentrated expression in the relations between China and other countries. Thereupon, independence and initiative began to acquire the new meaning of sovereign independence of a country and the right of the Chinese people to decide for themselves in all their domestic and foreign affairs. On the eve of the founding of New China, Mao Zedong made this solemn statement: "China must be independent; China must be emancipated; China's affairs must be handled by the Chinese people on their own initiative without the slightest degree of interference from any imperialist country." (*Selected Works of Mao Zedong* Second Edition, Vol 4, p 1465) Zhou Enlai also pointed out: "We have a basic posture on diplomatic issues, that is, a posture of the independence of the Chinese nation, a posture of maintaining independence and self-reliance." (*Selected Works of Zhou Enlai* Vol 1, p 321) Since the founding of New China, maintaining independence and the initiative has always been China's consistent principled stand in diplomatic activities.

In the new era of our modernization drive, Deng Xiaoping summed up historical lessons, analyzed the new international situation, and further highlighted the principle of independence and initiative in China's foreign policy, associating the Chinese nation's international status with independence and initiative. In June 1985, in his address to an enlarged meeting of the Central Military Commission, he pointed out: After the "gang of four" was smashed, and especially since the Third Plenary Session of the 11th CPC Central Committee, our assessment of the international situation and our foreign policy have gone through two changes. The first change was in our understanding of war and peace. We used to believe that war was unavoidable and was imminent. After the said plenary session, the party center made a level-headed and objective analysis and assessment of the world situation and changed the previous belief that the danger of war was just round the

corner. The second change was that we removed the "one-line [yi tiao xian 0001 2742 4848]" strategy that had been previously proposed. Through those changes in understanding and policy adjustments, our foreign policy of peace and independence became even more perfect and mature than before. As to how that major adjustment in our foreign policy had contributed to the enhancement of China's international status, Deng Xiaoping gave this realistic assessment: "Considering China is a poor country, why do people put China on a par with the United States and the Soviet Union and call them a 'big triangle?' Simply because China is an independent and initiative-holding country." (*Selected Works of Deng Xiaoping* Vol 3, p 311) He pointed out: We are level-headed in our assessment of our own strength. We believe China does hold some weight in international affairs. Our foreign policy of peace and independence has given China more say in international issues. We uphold the foreign policy of peace and independence, do not join any bloc, and are impartial in what we say and what we do. This has added to our political importance. This policy has proved very effective and we must uphold it to the end.

The turn of the decade from the 1980's into the 1990's once again illustrated the role of independence and initiative in protecting the dignity of the Chinese nation and China's international status. While China was putting down a turmoil, Western powers interfered in China's internal affairs under the pretext of safeguarding "human rights," "democracy," and "freedom" and imposed sanctions on China. Faced with this evil, Deng Xiaoping voiced the vow of hundreds of millions of Chinese people: We shall never beg for the lifting of the sanctions but we will eventually overcome them; China will be able to stand up to it. He pointed out: "The country which is least afraid of isolation, embargo, and sanctions in all the world is China. After the founding of New China, we were under isolation, embargo, and sanctions for decades. But, in the end, they did not do us much harm. Why? Because China is huge in size and has such a big population. The CPC has high aspirations and so do the Chinese people...the Chinese people are not afraid of isolation and will not bow to pressure. No matter which way the international political climate is going to turn, China will be able to stand up to it." (*Ibid.*, p 329) Practice has proved that the prediction made and the principle proposed by Deng Xiaoping are very wise. The sanctions imposed by Western powers have now been broken. This once again shows the Chinese people's ability to fight against embargo and sanctions and illustrates their glorious image of upholding independence and initiative. The international status of the Chinese nation has reached an unprecedented height.

In short, considering our national conditions and the complicated and changing international situation, we must uphold the principle of independence and initiative or else our country will not have any international status and the Chinese nation will not be able to stand among all the nations of the world as a great nation.

### **Maintaining Independence and Initiative Is a General Principle for the Handling of Domestic and International Issues**

The independence and initiative of a state and nation involves the relationship of that state and nation with the outside world. It finds expression not only in the country's foreign policy but also in the handling of the country's internal affairs. Deng Xiaoping pointed out: "Why are we saying we are independent and hold the initiative? Simply because we adhere to the road of socialism with Chinese characteristics." (Ibid., p 311) The spirit of maintaining independence and the initiative contained in the formulation of "socialism with Chinese characteristics" is manifested through two major aspects, namely, internal affairs and foreign affairs. Therefore, upholding the principle of independence and the initiative means implementing it in all our undertakings as a general principle for handling domestic and external issues. "Chinese affairs should be handled in the light of the Chinese situation and on the Chinese people's own strength. Independence and self-reliance was, is, and will be our basis." (Ibid., p 3) This argument put forward by Deng Xiaoping not only defined, in temporal terms, the long-term nature of the adherence to the principle of independence and holding the initiative but also defined, in spatial terms, the extensiveness of the adherence to this principle.

First of all, we should uphold the principle of independence and holding the initiative in conducting our domestic construction. China has its own national conditions. Upholding the principle of independence and holding the initiative means integrating the universal truth of Marxism with the reality of our country in search of a socialist path of development which fits in with China's national conditions. Since the Third Plenary Session of the 11th CPC Central Committee, on the basis of reviewing our experience of successes and setbacks in the socialist processes of our country, we have explored the path of socialist construction which caters for China's national conditions and have gradually developed a path for building socialism with Chinese characteristics. This extremely successful path has brought prosperity to both the country and the people and shown the prospect of a Chinese nation towering ever more firmly among all nations of the world. Why does our socialism have "Chinese characteristics" and how did the "Chinese characteristics" come into being? They came into being because we did not indiscriminately follow foreign experience, foreign formulae, or books and because we warded off interference and boldly followed our own path. The development of "Chinese characteristics" is both a manifestation and a result of upholding independence and the initiative.

Secondly, to fulfill the great cause of national reunification, we must uphold independence and the initiative. The new construct of peaceful reunification of our motherland under the "one country, two systems" policy is a profound embodiment of Deng Xiaoping's thinking on independence and the initiative. The novel idea of "one country,

two systems" was not put forward by any other country but was presented by China in full consideration of reality. The setting forth of "one country, two systems" was under the fundamental premise and objective of the reunification of Taiwan with the mainland and the recovery of sovereignty over Hong Kong and Macao. The dominant part [zhu ti 0031 7555] of "one country, two systems" must be socialism. We must strive to solve problems in a peaceful way by resorting to "one country, two systems," yet without promising to abandon nonpeaceful means. In a word, the setting forth and the content of "one country, two systems" are permeated with the spirit of independence and holding the initiative.

Thirdly, the development of foreign relations requires, to an even greater extent, adherence to the principle of independence and holding the initiative and the foreign policy of peace and independence. In the formulation and execution of our foreign policy, it is imperative to let the Chinese people be the masters and oppose any external interference or compulsion. No country can expect China to become its dependency and eat the bitter fruit that harms China's own interests. We must steadfastly safeguard our country's independence and sovereignty, not give in to any big power's pressure, nor enter an alignment with any big power, nor play cards against others, nor allow others to play cards against ourselves, and pursue a policy of total independence. On all international issues, we must make independent judgment and clarify our stand and policy in accordance with the rights and wrongs of the issues themselves and in consideration of the fundamental interests of the people of the world.

To uphold the principle of independence and initiative, we must base ourselves on self-reliance. Self-reliance is the inherent requirement of adherence to independence and the initiative and is a natural conclusion drawn from our national conditions and the international situation. Deng Xiaoping pointed out: "To carry out construction in a big country like China, one must rely on oneself, mainly on oneself. This is called self-reliance." (Ibid., p 78) He also pointed out: "It is no easy job to obtain capital and advanced technology from developed countries. There are some who still have the mentality of old colonialists. They are trying to straitjacket poor countries like ours and hate to see us develop. Therefore, on the one hand we should pursue an opening policy and, on the other, uphold the principle of the predominance of self-reliance that Chairman Mao Zedong has always advocated since the founding of New China." (*Selected Works of Deng Xiaoping* Vol 2, pp 360-361)

In short, our affairs should be handled according to where we are and handled by ourselves. We are totally capable of running our own affairs properly. Independence and self-reliance form the very basis on which our Chinese nation stood up and has grown ever more powerful.

### Opening Up and Peaceful Coexistence Should Imply Independence and Holding the Initiative

How should we uphold the principle of independence and the initiative? In the new era of reform and opening up in our country, it is necessary to implement it in the process of opening up and peaceful coexistence.

There are two meanings to practicing independence in opening up. First, we should improve our ability to maintain independence and hold the initiative through opening up. Whether it was for revolution or construction, our party has always adhered to the principle of independence and self-reliance and, on the basis of this, actively sought external aid and the support of external forces. Deng Xiaoping's creative adherence to this principle lies in the fact that he not only bases the utilization of external forces on the principle of independence and self-reliance but also regards the use of external forces as an important means to a higher capacity for independence and self-reliance. He established opening up as a basic national policy for our country. He made this clear point: "Any country which wants true political independence must strive to end poverty. And to end poverty, the country should base its economic policy and foreign policy on its own reality, without creating obstacles for itself or isolating itself from the rest of the world. As China's experience shows, it is disadvantageous to isolate oneself from the rest of the world. To develop, a country must open up to the outside world while conducting reform at home on a consistent basis." (*Selected Works of Deng Xiaoping* Vol 3, p 202) Since the Third Plenary Session of the 11th CPC Central Committee, Deng Xiaoping has been very steady in his attitude toward opening up. His goal has been to let China develop itself as quickly as possible, enhance China's ability to maintain independence and hold the initiative, and safeguard the country's independent status. Second, we should follow the principle of independence and holding the initiative in all the principles and policies for opening up. Deng Xiaoping pointed out: Everything that others have can be used for reference and for reference only; we can draw on the experiences of foreign countries but should never copy indiscriminately. What to draw on for reference and how to draw on others' experience should be considered with close attention to our own reality. "While we study some technologies and some management skills of the capitalist society, we must never come to worship capitalist foreign countries, be corrupted by capitalism, and lose our national pride and national confidence which is unique to our socialist China." (*Selected Works of Deng Xiaoping* Vol. 2, p 226) The opening up should proceed from reality and in a prepared, step-by-step, and stage-by-stage manner. In particular, the suggestion put forward by Deng Xiaoping that "the amount of foreign debt should be appropriate; do not borrow too much" (*Selected Works of Deng Xiaoping* Vol 3, p 193) was actually about the control of the degree of opening. The most essential element in the appropriateness of opening up is to pay close attention to the country's power to maintain self-reliance.

Independence and holding the initiative in peaceful coexistence also has two meanings. First, we should improve the environment for independence and holding the initiative in our country through peaceful coexistence. To what extent a country pursuing the principle of independence and holding the initiative can implement this principle is not only connected to the country itself, especially its overall national strength, but also to the external environment surrounding the country, i.e., the size of external interfering or intervening forces. The crux of the issue here is the policy and strategy of the country experiencing such interference. A proper policy and strategy may weaken the interfering force from abroad, improve the international environment for the country's independence and initiative, and achieve the objective of safeguarding the country's independence. Deng Xiaoping's thinking on independence and holding the initiative focuses on the initiative in managing internal affairs and the dignity of sovereignty. While paying attention to the enhancement of the country's overall national strength, it advocates the effort to achieve peaceful coexistence with the external world through a flexible strategy, with a view to improving the country's environment for independence and holding the initiative. To achieve this, Deng Xiaoping offered an extremely rich guideline for the formulation of relevant policy and strategy: Make a large circle of friends and maintain contacts with all countries, including those with which China cannot normalize its relations; take advantage of conflicts [li yong mao dun 0448 3938 4243 4163], seize any opportunity, and learn to cope with the complex and changing world; respect the independence of other countries and parties thereof and refrain from ordering them around; help establish a new international order on the basis of the Five Principles of Peaceful Coexistence; solve conflicts and problems left over from history in a peaceful way; and so on and so forth. What should be pointed out here is that Deng Xiaoping's policy and strategy recommendation is not only for the sake of improving the environment for our country to maintain independence and the initiative but is also an effort to help safeguard world peace. Secondly, we should implement the principle of independence and holding the initiative in the entire process of peaceful coexistence. Deng Xiaoping often reminds us that we must keep cool heads and be aware when practice peaceful coexistence. He pointed out: "We are improving relations with both of the superpowers, the United States and the Soviet Union. But if they do anything wrong, we will criticize them and not cast an affirmative vote. We must not jump on the bandwagon. This independent foreign policy of ours is most conducive to world peace." (*Ibid.*, p 156) The proposition to establish a new international order on the basis of the Five Principles of Peaceful Coexistence which Deng Xiaoping has repeatedly emphasized showed an even stronger viability after the disintegration of the Soviet Union.

### **The Most Important Condition Is To Run Our Economy Well**

The most crucial precondition for adhering to the principle of independence and holding the initiative and maintaining the independent image of our country under any international circumstances is to run our economic construction well. Deng Xiaoping has repeatedly pointed out: Economic construction "is the most important condition for solving international and domestic problems"; "in the final analysis, we must run our own affairs well." (*Selected Works of Deng Xiaoping* Vol 2, p 204) He asks us to immerse ourselves in practical work and run economic construction well.

Regarding efficient economic construction as the primary condition shows an understanding of the crux as to how China can consolidate its status of independence. If economic construction fails to be boosted, a series of problems concerning China's independence and the initiative of the present day will not be readily solved.

Only efficient economic construction can ensure that the banner of Chinese socialism will not fall down. Deng Xiaoping is convinced that as long as China, boasting one fifth of the world's population, is developed, the banner of socialism will not collapse. The grave lesson in the evolution of some countries is an eloquent proof of the wisdom in Deng Xiaoping's idea that only efficient economic construction can enable socialism to consolidate and develop.

Only by conducting economic construction well can we speed up the process of national reunification. In October 1984, after the talks between China and Britain on the question of Hong Kong were concluded, Deng Xiaoping pointed out: Why were the talks on the Hong Kong issue successful? Not because those of us who took part in the talks had special skills. The main reason is that through the development over the past years, our country has become a thriving, powerful, and trustworthy country. The future solution to the Taiwan problem will also depend on our development. Deng Xiaoping pointed out: "To bring Taiwan back to the motherland and achieve the reunification of our country depends, in the final analysis, on our ability to run our affairs well. We are better than Taiwan in terms of politics and economic systems; our economic development also enjoys a certain advantage over Taiwan, which is indispensable. If the four modernizations make good progress and our economy is developed, the strength behind our reunification effort will be different." (*Ibid.*, p 204)

Only by conducting economic construction well can we increase our power to fight against hegemonism and power politics. Hegemonism is the root cause of war. Opposing hegemonism and safeguarding world peace is the most important principle in China's foreign policy of peace and independence. To implement this principle effectively, we must upgrade our role in international affairs; and a higher role in international affairs must be

backed by a material foundation created through economic construction. Deng Xiaoping pointed out: "The size of our role in international affairs depends on the size of our achievement in our own economic construction. If our country is developed and more prosperous, our role in international affairs will be bigger. Our present role in international affairs is not a small one but, if our material foundation and material strength are enhanced, the role we have to play will be even bigger." (*Ibid.*, p 204) At the moment, the main threat facing us is hegemonism and power politics whereby superpowers use all kinds of excuses to interfere in our internal affairs. To deal with power politics, confrontation in a political sense is necessary but, at the end of the day, the way to combat power politics which believes in the power principle is to run the country's economic construction well and boost the country's overall strength as quickly as possible, just as Deng Xiaoping pointed out: "The key to China's ability to stand up to the pressure of hegemonism and power politics and adhere to our socialist system is whether or not we can achieve a fast growth rate and realize our development strategy." (*Selected Works of Deng Xiaoping*, Vol 3, p 356) Practice has indicated that Deng Xiaoping's argument is totally correct. Since the beginning of the '90's, as our economy speeded ahead, our country has achieved ever-expanding results in combating interference and power politics. Major countries in the West have either restored normal relations with China or partially lifted sanctions against China. On 26 January 1994, the HONGKONG STANDARD commented: "All China's diplomatic achievements are a result of a good job at home."

Deng Xiaoping's thinking on independence and initiative is rooted in reality and looks ahead into the future. Under the guidance of this thinking, China is rising fast in the world. We are deeply convinced that by unswervingly implementing this thinking, the Chinese nation is bound to stand towering among all nations of the world, presenting an even more imposing image.

### **United States & Canada**

#### **Secretary Brown Hopes To Establish Lasting Trade Ties**

OW2608075094 Beijing XINHUA Domestic Service in Chinese 0416 GMT 26 Aug 94

[By reporters Ying Qian (2019 6197) and Wang Nan (3796 2809)]

[Text] Washington, 25 Aug (XINHUA)—In an interview with XINHUA reporters on the eve of his visit to China, U.S. Secretary of Commerce Brown said that the main purpose of his visit is to "redefine" U.S.-Chinese trade relations so that they can be established on a "close, long-term, basis."

Brown emphasized: Washington feels that Beijing is enthusiastic about doing business with the United States, as well as interested in attracting American businessmen

and companies to China. However, the distraction of debates on annual extension of the most-favored-nation [MFN] trading status to China has adversely affected the effort to develop bilateral trade relations which, as a result, have been devoid of stability and long-range plans. Nonetheless, he said confidently: "Now that we have made the decision to extend MFN trading status, we can really open up a new era in trading relations between the two countries."

He expressed the hope that his forthcoming visit would lay the foundation for establishing close, long-term, U.S.-Chinese trade ties. He believed that it was very necessary for the United States, the world's largest developed country, and China, the largest new market, to establish such relations.

He added that his forthcoming visit, which has been arranged in line with President Clinton's instructions, will focus on establishing relations and not on settling disputes or solving pending questions. Brown is the first Clinton administration cabinet member to visit China since President Clinton announced the decision to renew MFN trading status to China last May. He said the results of his visit will be reflected in bilateral trade relations in the years to come.

#### **Newspaper Views Brown's Visit, Sino-U.S. Ties**

*HK2608050994 Hong Kong TA KUNG PAO in Chinese  
26 Aug 94 p 3*

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Substantive Development of Sino-American Relations"]

[Text] Today, U.S. Secretary of Commerce Brown will set off to begin his visit to China. This is a high-profile visit, as it was announced more than a month ago. Mr. Brown himself also held a number of news conferences to explain his trip, and sent Undersecretary of Commerce Garten to visit China first and make preliminary arrangements for him in Beijing. When Brown arrives in Beijing tomorrow, he will also lead a group of principal executives of 24 large American enterprises. According to all the signs, the visit will be unusual.

Sino-U.S. relations experienced a major change this year. That is, U.S. President Clinton announced in late May that China's most-favored-nation status would be extended and would be delinked from the human rights issue. This was the result of debate in political and other circles of the United States. Clinton's announcement not only ensured that Sino-U.S. economic and trade relations would further develop in their original orientation and at the same pace as before, but also showed a more positive approach to the development of economic and trade relations with China.

Mr. Brown himself has always advocated the need to advance trade and economic relations with China, and he made great efforts to maintain China's most-favored-nation status during the debate. Now, he is the

first cabinet member to visit China since President Clinton made the announcement. China attaches great importance to his visit, and hopes that the visit will be successful.

China attaches importance to Brown's visit, because this is a concrete action giving expression to the Clinton administration's "pragmatic and positive" attitude. China has always held that in the development of bilateral relations, ideological differences should be cast aside, and such differences must not affect cooperation in the interests of both sides and in the interests of peace in the Asia-Pacific region and in the world as a whole. China now certainly welcomes the friendly step taken by the United States.

Two specific points of Brown's visit are particularly noticeable. First, Brown will also play a role as the president's special envoy; and he will not only represent the Department of Commerce, but also President Clinton and the U.S. Government. Second, 24 out of the 50 members of the delegation are principal executives of major American enterprises.

The main purpose of Brown's visit is to expand bilateral trade cooperation, and this is a matter within his official function. However, people will pay more attention to his role of "carrying out a mission entrusted by the president" and see what message he will bring to China.

At the Seattle Asia-Pacific Economic Conference summit last November, the United States indicated that it would shift the focus of its global strategy and give priority to Asia-Pacific affairs. However, it continued to vacillate again and again on this issue. Debate appeared among some senior officials of the Department of State. Clinton's decision on extending China's most-favored-nation status was a step toward tipping the scales in the Asia-Pacific's favor. However, people will still have to wait and see future actions and developments, including Brown's performance this time.

The United States has obviously lagged behind Japan and Europe in taking a share of the Chinese market, the largest market in the world in the future. Brown said frankly on Wednesday that the United States held only a mere 10 percent of the Chinese market, and that this was hardly acceptable. The United States' performance should be better. He added: The message his trip will send is "competition."

The 24 enterprises accompanying Brown include those in such important fields as telecommunications, transportation, energy, and the financial industry. They represent the strong points of the United States, and there is great complementarity and broad room for cooperation between the two sides.

If the United States really wants to compete with its rivals, it must make greater efforts than its rivals, because the United States has indeed lagged behind too much. The German chancellor and the French prime

minister recently visited China, and Japanese Prime Minister Murayama will also visit Beijing next month. However, political relations between China and the United States remain lukewarm for the time being.

#### **Newspaper Views General Xu Huizi's Visit to U.S.**

*HK2608063894 Hong Kong WEN WEI PO in Chinese  
26 Aug 94 p A2*

["Special article" by staff reporter in Washington Chu Hsing-fu (2612 1630 4395): "Enhancing Mutual Trust Between the Chinese and U.S. Armies—Sidelights on Visit by Xu Huizi, Deputy Chief of General Staff, to the United States"]

[Text] General Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army, successfully ended his 10-day visit to the United States and left Hawaii, the location of the Headquarters of the U.S. Pacific Fleet, by plane on 25 August. He is the highest-level military leader of China to visit the United States in the past five years, and his visit has been very successful. Both Chinese and U.S. military leaders agreed that the improvement and development of bilateral military relations would be conducive to the smooth settlement of security issues in the Asia-Pacific region and would be conducive to the settlement of differences between China and the United States.

Xu Huizi, deputy chief of General Staff, and his entourage arrived in Washington, capital of the United States, on 16 August. In Washington he met with all principal Pentagon leaders, including Defense Secretary Perry, Acting Deputy Defense Secretary Slocumbe, and Assistant Defense Secretary Chas Freeman. Secretary Perry welcomed Xu Huizi's visit. He said that China is an influential large country in the world, so he hoped that the United States and China would play a greater role in the field of international security. After the meeting, Secretary Perry also gave a banquet in Xu's honor. Assistant Defense Secretary Chas Freeman also held talks with Xu.

The main part of Xu's American trip took place in Washington. In addition to meeting with civilian officials and military officers in the Department of Defense, Xu Huizi also met with many top-level generals in the U.S. Armed Forces. Mr. Shalikashvili, chairman of the Joint Chiefs of Staff (equivalent to the Headquarters of the General Staff), also met with Xu Huizi. All members of the Joint Chiefs of Staff held talks with Xu's delegation on bilateral military relations, and both sides frankly exchanged opinions at the meeting. The security situation in the Asia-Pacific region, the global strategies of the two countries, and ways to expand military cooperation between the two sides were reportedly the major issues discussed at the meeting. The United States has recently paid serious attention to Korea's nuclear weapons development program, and hoped that China, as Korea's sole ally, would exert a positive influence on Korea, prompting Korea to decide to give up its nuclear

weapons program. Xu indicated that China was not willing to see the appearance of tension in Northeast Asia, but that China hoped that the United States would hold talks with Korea and solve the nuclear issue in a peaceful way.

The U.S. side was concerned about the modernization of the Chinese Armed Forces, and hoped that China would increase the transparency of its military forces. Although China is a large country with a huge population, its military expenditure remains very low, far less than that of Japan and the ROK, and is a very small percentage of that of the United States. However, the United States insisted that China's actual military expenditure was more than the \$5 billion to \$6 billion it openly announced. The U.S. side hoped that, like other countries, China would publish a national defense white paper every year to explain the exact amount of yearly military expenditure and the military principles it is pursuing so that the misgivings of the outside world could be removed.

As for UN peace-keeping activities, the United States hoped that China would play a greater role in this regard, and hoped that the armed forces of the two sides would carry out some small-scale joint military exercises. In the past, China never sent a single soldier abroad, but this taboo has already been removed. China has now joined the UN peace-keeping troops in Cambodia and has also sent military observers to Africa. However, it is still hard for China to send peace-keeping troops to Africa or other remote areas for the time being.

On the U.S. mainland, Xu Huizi and his entourage visited Andrews Air Force Base, Norfolk Naval Base in Virginia, which is the location of the U.S. Atlantic Fleet, and other major military facilities. Wherever he went, the commanding officers of the military organs extended him a grand welcome, escorting him around and giving banquets in his honor. After visiting Washington, New York, and San Francisco, Xu Huizi and his entourage flew to Hawaii on 21 August and visited the headquarters of the U.S. Pacific Fleet. There they met with Admiral McKee [name as transliterated; 7796 1015], commander of the fleet, and other senior U.S. officers.

People here hold that Xu Huizi's visit has promoted mutual understanding and trust between Chinese and U.S. military leaders, and is conducive to the restoration and further development of bilateral military relations as well as to the development of Sino-U.S. relations across the board. In order to further advance Sino-U.S. military relations, U.S. Secretary of Defense Perry reportedly may visit China before the end of this year.

#### **Article Views Auto Maker's Links With 'Labor Camp'**

*HK2508070094 Hong Kong EASTERN EXPRESS in English 25 Aug 94 p 1*

[By Bruce Gilley]

[Text] Chrysler, the US motor giant, yesterday strongly denied links between its Chinese partner and Beijing's biggest labour camp. It did so as further evidence emerged establishing the connection.

In a statement from Detroit, Chrysler said its China partner, Beijing Auto Works (BAW), had no relationship with the Beijing Auto Industrial Corporation (BAIC), which Eastern Express revealed maintains extensive production links with the capital's biggest labour camp.

Chrysler's mainland joint venture, Beijing Jeep, is 58 per cent owned by BAW.

Investigations show that:

- BAW and Beijing Jeep are listed as constituent enterprises of BAIC. Profits from Beijing Jeep are paid to BAIC in the form of a "management fee" deducted as a percentage of total dividends;
- The original joint venture contracts for Beijing Jeep were signed by BAIC, which was described as the overall director for the Chinese partner
- The chairman of Beijing Jeep, Wang Mei, is the deputy general manager of BAIC. The first chairman of the company was Wu Zhongliang, the then general manager of BAIC;
- BAIC "has an administrative role in Beijing Jeep and helps to import parts", an official from Wang's office said.

A bus factory run by the New Face labour camp is listed as an enterprise belonging to BAIC in the 1993 Beijing Industrial Yearbook.

New Face also makes convict vans and patrol cars.

The company is the largest unit of the Beijing reform-through-labour bureau.

Chrysler said in the statement it "in no way condones the use of prison labour anywhere in the world".

As details of the labour camp connection emerged, security was tightened yesterday at two of the prison labour factories in suburban Beijing run jointly by New Face and BAIC.

Guards chased camera crews from a side alley where workers were putting together a mini-van at the Red Star Assembly Factory in a village south of Beijing.

Guards also sealed off an administrative complex at Great Red Gate in Fengtai district, which contains the New Face general office.

Corporate America's biggest China trade group, the US-China Business Council, called on Chrysler to come clean on its links.

"It's critical that they check out who their partners are. If there is a prison camp connection, this would be pushing

the edges of the envelope a little far," Richard Brecher, the business services director, said.

In addition to the corporate links to the labour camp, Brecker said Beijing Jeep could possibly be using prison labour-made products.

"This type of situation is possible because in large Chinese corporations even the Chinese themselves don't know how the organisation works," he said.

Chrysler's human rights record in China suffered a heavy blow last month when it sacked an employee for missing work after he was detained for a month for his Christian beliefs. After the affair came to light, he was reinstated.

The company defended its human rights record in China.

"Chrysler's list of accomplishments in protecting human rights and improving employee lifestyles is extensive," it said.

"Chrysler's international code of conduct...requires the company to maintain the highest level of integrity and ethics in all business operations."

#### **Editorial Criticizes Chrysler Link to Beijing Prison Labor**

*HK2508070194 Hong Kong EASTERN EXPRESS in English 25 Aug 94 p 15*

[Editorial: "Chrysler Tries To Evade the Truth"]

[Text] The Chrysler Corporation is one of America's biggest companies, generating sales of some US\$37bn last year and employing about 113,000 people world-wide. It is one of the United States' "Big Three" automotive manufacturers. By any standards it ranks among the world's largest companies.

It is therefore surprising that it should lie, and do so blatantly.

Yesterday, the Chrysler Corporation in Detroit issued a statement which said: "Recent reports linking Chrysler Corporation to prison labour in China are total and complete fabrications".

We know something about these reports because they first appeared in Eastern Express, although they have now been widely followed up in the United States media. Knowing what we know, we were astonished to read the claim that: "Chrysler is a 42 per cent owner of Beijing Jeep Corporation and a partner with Beijing Auto Works (BAW). Chrysler has absolutely no ownership or involvement in Beijing Auto Industrial Corporation (BAIC), where the allegations have been made."

At best this statement is sophistry but more likely it is misleading to the point of mendacity.

The profits made by Beijing Jeep are paid to BAIC, Beijing Jeep and BAW are officially listed as subsidiaries

of BAIC, indeed the chairman of Beijing Jeep is the deputy general manager of BAIC.

In the light of the above, let us again examine the wording of the Chrysler statement which says it has neither ownership nor involvement in BAIC. One half of this is true, Chrysler certainly does not own equity in BAIC, but no involvement? This second, crucial, half of the statement is unsustainable.

Chrysler's man on the spot in Beijing was vague about who might be Beijing Jeep's suppliers and cast doubt on the existence of labour camps saying: "What is a labour camp? I've never been able to find one myself."

Back in Detroit, the corporation had no such doubts. Its statement said: "Chrysler inspects all direct supplier facilities in China, ensuring that suppliers adhere to the company's stringent terms of agreement. Chrysler in no way condones the use of prison labour anywhere in the world."

Again the version from Chrysler's man on the ground in Beijing is rather different. He told us that he had neither the responsibility nor the power to investigate the production link-ups of BAIC which could contribute to Beijing Jeep manufacture.

No one at Chrysler is denying that BAIC has a direct involvement with the New Face Refit Factory, which is officially listed as a BAIC subsidiary and uses prison camp inmates as labour for its products including vehicle components.

The problem here, which has sent warning bells ringing in Detroit, is that the United States' most famous joint venture company in China is involved in precisely the sort of activities which it says the American presence is helping to minimise.

In the campaign to ensure permanent renewal of China's Most Favoured Nation trading status, the US business lobby in Washington argued that American companies in China were helping to promote human rights and bring Chinese practices into line with internationally recognised standards.

It certainly sounded good at the time and was influential in the decision to cease combining human rights considerations with decisions on China's trading status.

Lamentably for Chrysler the revelations of the company's ties to prison labour came just before the visit to China of Robert Eaton, the firm's president. He is part of the delegation led by the US Commerce Secretary, Ron Brown. Aside from the usual round of formalities, Eaton is hoping to have some serious discussions about Chrysler's plans for a pick-up truck plant joint venture.

His spokesman said that there were no plans to discuss prison labour during the visit. No one expects that a businessman pitching for a deal will choose the subject most embarrassing to his new partner as a prime topic of conversation.

However, if the company really means what it says, namely that "Chrysler's list of accomplishments in protecting human rights and improving employee lifestyles is extensive", then, surely, there is a need to make sure that prison labour is not a part of existing operations.

Were it true that United States firms were operating according to a serious code of ethics, a respectable case could indeed be made for the beneficial influence of American companies in China.

Some US companies may well be practising what they preach. The evidence suggests that the mighty Chrysler Corporation is not among them.

### **Beijing To Take 130 Projects to U.S. To Attract Investment**

*HK2408124894 Beijing ZHONGGUO XINWEN SHE in English 0952 GMT 24 Aug 94*

[Text] Beijing, August 24 (CNS)—After a business tour to attract investment in neighbouring countries and regions, the Beijing municipality is now targeting at America. Its deputy mayor Lu Yucheng will lead a trade and economic delegation of two hundred people to America next month.

According to Zhao Xinxin, deputy head of Foreign Investment Promotion Bureau under Beijing's Economic and Trade Commission, after screening and examination for half a year, 130 out of 500 projects have been selected to be recommended to American businessmen during the trip. The projects cover industries such as automobile, electronics, new type construction materials, basic facilities in cities, redevelopment of endangered houses and residential projects, property and commercial facilities, facilities for tourism and entertainment, medical treatment, etc. The contracted money is expected to be US\$9.5 billion.

The guidelines for the selection of projects are, first, those projects have to be in line with China's industrial policies; two, supplementary facilities can be guaranteed; three, feasible to be taken by American businessmen, said Zhao.

From September 19 onward, the delegation will hold project negotiations and investment talks in San Francisco, New York and Los Angeles.

It is said the delegation will include not only officials of the municipality but also 150 entrepreneurs.

### **'Roundup' Views U.S. Health Care Lobby**

*OW2008185494 Beijing XINHUA in English 1802 GMT 20 Aug 94*

["Roundup" by Si Jiuyue: "U.S. Businesses Intensify Health Care Lobby"]

[Text] Washington, August 20 (XINHUA)—U.S. businesses, large and small, are intensifying their lobbying

against health care reform plans proposed by congressional Democratic leaders, making it the most heavily lobbied issue in the nation's history.

The management of the International Business Machines [IBM], the world's leading computer maker, joined other firms in attacking the plans this week, calling on its 110,000 workers in the United States to fight for the defeat of two health care bills proposed by Senator George Mitchell in the Senate and Representative Richard Gephardt in the House.

The Senate is now in a heated and prolonged debate on Mitchell's 1,400-page plan and the house is expected to take action on Gephardt's bill later.

In a memo sent over the company's internal electronic mail network, IBM Vice Chairman Paul Rizzo urged all employees to contact their senators and representatives and suggest the defeat of the bill.

IBM is only one of the thousands of firms now lobbying against the Mitchell and Gephardt bills.

Mitchell's plan extends health coverage to 95 percent of U.S. population by the year 2000 through heavy government subsidies. It also requires employers to pay 50 percent of employees' premium if the goal is not achieved. The Gephardt bill provides universal coverage and asks employers to pay 80 percent of employees' premium.

Now there are 35 million to 40 million Americans without basic health care insurance and the number is still rising.

Before IBM issued its call, Lucio A. Noto, chairman of Mobil Corp., sent an in-house letter to employees outlining its opposition to portions of the bills and inviting them to contact Congress.

Several members of the Corporate Health Care Coalition, a group representing 24 companies that includes Boeing Co., ARCO, Digital Equipment Corp. and United Parcel Service, have asked employees to contact Capitol Hill on health care, said Lawrence Atkins, an attorney who helps run the group.

So far, at least 650 trade groups spent more than 100 million dollars from January 1993 to last March to influence the outcome of health care legislation, according to a recent study by the Center for Public Integrity.

"There is no issue of public policy in which the sheer strength of those special interests have so overwhelmed the process as in the health care reform debate," the center said.

By October the amount spent by lobbyists on television advertising alone will exceed 60 million dollars, more than the 50 million dollars spent on advertising in the

1992 presidential campaign, predicted the Annenberg School for Communication at the University of Pennsylvania.

For the last 14 years, the political action committees representing health and insurance interests contributed more than 150 million dollars to congressional reelection campaigns to "keep health reform off the nation's agenda," said Citizen Action, a consumer group.

Four members of congress received more than one million dollars of campaign money each from political action committees of the health and insurance industry since 1979, Citizen Action said.

One of the most effective lobbying groups has been the National Federation of Independent Business, which represents 607,000 small-business owners. The NFIB has sent 400,000 letters and 50,000 faxes to senators and employed telemarketing firms to keep calling members of the Senate.

Small business owners, who usually don't provide health insurance benefits for their employees, fear they will be forced to pay a lion's share of employees' premium under the legislation, bankrupting many of them.

Big business, which at first applauded President Clinton's efforts to change the health care system, now is pretty much against it after they found their cost might be raised, instead of being reduced, under the proposed bills.

Rizzo noted that the IBM had three key problems with the Mitchell and Gephardt bills. He said these bills allow states to establish their own rules and health care systems, "including the possibility of a state's actually terminating the IBM benefits you receive and requiring you to get benefits from a state government-run system."

Multistate employers worry they would be subject to regulations varying widely from state to state.

The IBM also fears that it will have its costs significantly raised "through the disproportionate taxation of the health benefits it provides to employees.

In Mitchell bill, there is a tax on certain more expensive health plans and a provision that allows states to require corporate plans to subsidize state-run programs.

Interest groups are "spending millions because billions are at stake," said Charles Lewis, executive director of the Center for Public Integrity.

IBM spends one billion dollars a year in the United States on medical care.

Giving the amount of money and the intense competition, "the Oval Office is reduced to just another trade association," Lewis said.

The White House started a one-million-dollar TV ad blitz on August 4, with President Clinton addressing

viewers from the Oval Office. In the two minute segments aired nationally, Clinton urged Americans to "join the fight" and call their representatives in Congress demanding the passage of the health care bills promoted by the Democratic leadership.

Lobbyists for large and small businesses joined their efforts last week to form a super lobby and decided to launch an unprecedented large scale campaign to defeat the Democratic bills.

The lobbying has become so fierce, fractious and well-financed, said Lewis, that it can "overwhelm the decision-making progress."

### U.S. Firms Find Investment Attractions

OW2608102494 Beijing XINHUA in English 0637  
GMT 26 Aug 94

["News Analysis" by Wang Nan: "What's Attracting Corporate America to China?"]

[Text] Washington, August 25 (XINHUA)—When the White House reversed its China policy three months ago to separate trade from politics, American companies could no longer wait and see, and they are flocking towards China with deals at hand.

Commerce Secretary Ronald Brown begins his high-profile trade mission to Beijing on Friday, bringing 24 chief executive officers (CEOs) of U.S. companies and the governor of West Virginia with him on the president's jet.

"We have a great great demand" from American companies, Brown told reporters on Wednesday [24 Aug]. In choosing these CEOs, "I'm making as many friends as enemies," he said.

For Robert Eaton, chairman and CEO of the Chrysler Corp., the purpose of the trip is clear: To get Beijing's approval, as early as next year, to make minivans in south China and beat European competitors.

Tony Cervone, spokesman of the Detroit-based auto manufacturer, said that the company also wants to make sure that Beijing Jeep, a joint venture started more than 10 years ago, can finally assemble passenger cars.

It is another story for Fred Smith, who heads the Memphis, Tennessee-based Federal Express, the world's largest express transportation company. The trip is to get first-hand experience, the company said.

"China is an increasingly important market in Asia," Smith said in a statement. "We are seeing steady progress by Chinese officials in opening their nation to greater foreign investment and activity."

Leslie McCraw, chairman and CEO of Fluor Corp., a leading diversified service company that has been in China since the 1970s, described the trip as supporting U.S. exports and increasing mutual understanding.

Albert Greenstein, spokesman for Atlantic Richfield Company (ARCO), the seventh largest oil company in the U.S., said the trip by ARCO's Chairman Lodwick Cook "is to emphasize that we want to do business with China."

According to commerce officials, choosing industrialists to join the China trip began several months ago. The companies on the list are in four areas: Energy, finance, information systems and transportation.

"The major pro of operating in China is there is an enormous market for transportation and transportation-related engineering services," said William Nevel, vice-president of De Leuw, Cather & Company, one of the world's largest transportation engineering firms.

Leuw, Cather & Company, whose CEO Robert O'Neil will be going with Secretary Brown, has provided engineering services for the recently opened Shanghai metro system and the Shanghai and Guangzhou transit system.

For energy companies like ARCO, Foster Wheeler Corp., Westing House Electric Corp. and Entergy Corp., many deals with China are expected before September 3.

"China is a critical part of the future expansion for ARCO, and we're seeking opportunities to discuss further investment in oil and gas exploration and extraction projects, as well as other aspects of energy development in China," said ARCO's Albert Greenstein.

While Los Angeles-based ARCO is developing China's largest offshore energy project in the South China Sea and a gas project in the East China Sea, Entergy Corp., in New Orleans, Louisiana, has been engaged in building a series of coal-fired electric power plants in China.

"Energy anticipates continued progress on these project negotiations," said an Entergy official.

To Robert Denham, CEO of Salomon Inc., his trip comes just days after its subsidiary, Salomon Brothers Inc., opened its Beijing office.

The investment bank said it raised 11.2 billion dollars in debt and equity for Asia and Pacific issues over the past three years, including those for China.

A spokesman for Grigsby Brandford and Company, Inc., another Wall Street investment bank in public infrastructure finance, said its CEO, Calvin Grigsby, will introduce to the Chinese during the trip the "public finance" capital markets model to finance China's infrastructure.

The U.S. municipal finance capital markets model, in financing such infrastructure projects like airports, mass transits, highways and power plants, is at a much lower cost of capital than the equity markets.

The company said it has helped raise over 410 billion dollars in new capital to fund infrastructure, electric utility and environmental projects.

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For technology companies like Eastman Kodak Co., AST Research Inc., Tandem Computers Inc., Bell Atlantic Corp. and Loral Corp., China represents opportunities. China is also a land of opportunities.

"We view China as a huge, good, growing market," said Kodak spokesman Paul Allen. "We're not only delivering benefits to China's people and industries, but also positioning China on the leading edge of technologies."

As the No. 1 personal computer supplier to China, AST Research Inc., based in Irvine, California, has sold computers to the Chinese government and schools.

"AST could potentially become the 'APPLE II' of China in the educational market," said Safi Quereshey, AST's chairman and CEO.

AST has been doing business in China since 1985 and selling personal computers there in the past six years.

What's the secret for doing business with China? "We have found that patience and a commitment to developing long-term personal and business relationships are critical to success," said Fred Smith of the Federal Express.

"There are no special obstacles for us to do business in China," ARCO Spokesman Albert Greenstein said.

#### **Journal Views Clinton Asia-Pacific Policy**

*HK2508125294 Beijing SHIJIE ZHISHI in Chinese No 16, 16 Aug 94 pp 24-25*

[By Ruan Zongze (7086 1350 3419): "Clinton's Asia-Pacific Policy Is In a Predicament"]

[Text] Since assuming power, Clinton has pursued internal and external policies centered on "economic security" and stressed the need to advance U.S. interests in the Asia-Pacific region. The concept of the "New Pacific Community," the Asia Pacific Economic Cooperation forum summit held in Seattle, and the speeches made by Clinton and other senior U.S. government officials have conveyed the following message: The United States attaches importance to developing long-term relations with countries in the Asia-Pacific region and it has realized that the region is of great importance to U.S. economic, security, and strategic interests.

#### **Overbearing As It Is, the United States Has Run Into a Brick Wall Everywhere**

However, since the beginning of the year, the overbearing U.S. policy towards Asia has landed it in a fix. During the trade talks with Japan, the United States persistently upheld the "numerical value [shu zhi 2422 0237] quota" and even threatened that it would apply Super 301 action to Japan. Japan, however, said no to Uncle Sam and refused to bow unctuously. Consequently, relations between the two countries turned sour. Concerning its relations with China, the United States interfered in China's internal affairs on the pretext of

protecting human rights but its attempts encountered strong resistance from China. During the dispute over nuclear inspections on the Korean Peninsula, the United States threatened to apply sanctions at every turn but China, Japan, and South Korea persisted in alleviating contradictions through negotiations, throwing the United States into a passive condition. When an American youth was caned for breaking Singapore's laws, the U.S. media made many comments and Clinton made a personal plea for clemency. However, Singapore just did not go for it, very much embarrassing the United States. The United States has tried to impose U.S. standards concerning labor and intellectual property rights on ASEAN countries including Indonesia, Malaysia, and Thailand but it was rebuffed by every country concerned. This has also put the United States in an awkward position.

Clinton ran into snags and was foiled everywhere in Asia, thus coming under attack more frequently at home. The U.S. media maintains that Clinton's Asia policy is "full of flaws" and "in a mess" "like a train heading for an overhanging cliff." Ironically, even Assistant Secretary of State Winston Lord, who was involved in formulating U.S. Asia-Pacific policy, was critical of Clinton. In late April, Lord wrote a private letter to Secretary of State Warren Christopher criticizing U.S. Asia-Pacific policy. As disclosed by an article on 5 May in THE WASHINGTON POST, in his letter Lord pointed out that Asian countries are skeptical about, and dissatisfied with, U.S. Asia-Pacific policy, adding that the relationships between the United States and Asian countries are in "great danger." The article immediately aroused extensive concern in, and comments from, diplomatic circles, the media, and the U.S. authorities. There is every indication that Clinton's Asia-Pacific policy has led the United States up an erroneous alley.

#### **The United States Has Pursued Power Politics But Reality Is Out of Line With Its Objectives**

The U.S. Asia-Pacific policy has landed the United States in a fix in the Asia-Pacific region. This is mainly because Clinton's Asia-Pacific policy was built on bases which contradict each other and the objectives the United States has been trying to attain in the Asia-Pacific region also contradict each other.

On the one hand, the United States has been peddling their concept of human rights and democracy values. It claims that "the spreading of democracy provides the best guarantee for us to possibly achieve regional peace, prosperity, and stability in this region (Asia-Pacific region)" and that "setting up a 'New Pacific Community' is designed to enable countries in the Asia-Pacific region to enjoy universal democracy and human rights." Especially because socialist countries like China, Vietnam, North Korea, and Laos still exist after the collapse of the communist powers in the Soviet Union and Eastern Europe, the United States believes Asia is the key strategic area for its plan to spread Western values to every area in the world.

On the other hand, Clinton has stressed "economic security," giving top priority to reinvigorating the U.S. economy in formulating foreign policy. Over the last few years, the Asia-Pacific region, especially east Asia, has seen such rapid economic growth that the existing markets and the market potential have become irresistibly attractive for developed Western countries, whose economies remain weak. While many Western countries rushed to this region to gain a foothold in the market, how could the United States sit idly by and remain indifferent?

Clinton intended both to peddle U.S. values and obtain economic profits in this region but the two objectives contradicted each other. In fact, how to balance these two objectives has been the biggest difficulty the United States has got into in the Asia-Pacific region since the end of the Cold War.

Again, after the only threat (for instance, the "threat from the Soviet Union" during the Cold War) had disappeared, the United States failed to formulate guidelines for its foreign policy to replace the containment strategy. Critics maintain that even the "expansion" theory advanced by the National Security Adviser Anthony Lake is an "abstract" one and that "it is feeble and ineffective" when implemented." (quotation by Henry Kissinger) When awakening from their rapture as the only superpower, U.S. policy decisionmakers discovered that there was no "new order" in the world as they had expected and that the United States lacked a long-term strategy in line with the new situation. The United States did not find an argument similar to the one which warns that "the wolf is coming" to rally certain forces in the Asia-Pacific region around the United States as they had done during the Cold War and the policy decisionmakers failed to reach a consensus on foreign policy. So, it "hit out in all directions" in the Asia-Pacific region, revealing that its diplomatic strategy was disorderly and unsystematic.

What is more, U.S. policy decisionmakers believe that the conclusion of the Cold War means a victory for Western values and that the United States is "more duty-bound than ever before to promote Western human rights and democratic values." Considering itself as always being in the right and with insufferably arrogance, the United States flagrantly interfered with other countries' internal affairs and tried to impose "U.S. standards" on countries in the Asia-Pacific region, ignoring their cultural conditions, different political systems, and actual conditions.

As their economies grew rapidly, countries in the Asia-Pacific region had an ever-greater demand for political independence. Asian countries in particular, stressed their "principal role" in their own region. Malaysian Prime Minister Mohamed Mahathir was of the opinion that "developed Western countries have not urged countries in east Asia to promote human rights and democracy because they feared these countries would grow

strong and become their rivals in competition." In addition, countries in the Asia-Pacific region have greatly reduced their dependence on U.S. military support since the "Soviet Union threat" disappeared. It is generally believed that U.S. troops stationed in the Asia-Pacific region serve to maintain stability in the region but this does not mean that countries in this region are happy to see the United States play a leading role in the region. On the contrary, Uncle Sam's arbitrary criticism of the countries in this region has aroused public concern and aversion.

#### **Policy Adjustment Is Still in the Initial Stage**

Since mid-May this year, Clinton has set about adjusting his Asia policy. For instance He reshuffled the White House policy decisionmaking body both in May and June so that the body would be "more dynamic" in formulating policies; he reached an agreement with the Japanese Government on resuming trade talks and agreed to reach individual agreements on the opening of Japanese markets for insurance, telecommunications, and medical equipment to U.S. businessmen instead of insisting on reaching a package agreement which would embrace automobiles and their accessories; he extended China's MFN trading status and agreed to separate the human rights issue from MFN; he reached an agreement with Vietnam that the two sides can set up official liaison offices in each other's countries; and he agreed to resume the bilateral talks with North Korea in Geneva.

According to analyses by observers, the main factors prompting Clinton to take the abovementioned measures are as follows:

1. U.S. policy decisionmakers realized that "failure to improve deteriorating U.S. relations with countries in the Asia-Pacific region as soon as possible will finally undermine the U.S. influence and role in this region." In his private letter to Christopher, Lord warned that U.S. relations with some Asian countries have deteriorated in all respects due to its excessive demands for promoting human rights and its strong trade policies. The "New Pacific Community" advocated by President Clinton is becoming a nominal concept. Lord suggested that in dealings with Asian countries in future, the United States should "make more effective use of the opportunities for dialogue and communication" and "prudently consider the results of unilateral action." In fact, practically speaking, the United States is actually concerned that if it is bent on applying pressure on Asian countries, this will serve to stimulate their anti-U.S. sentiments and urge them to join hands in combating the United States. Some U.S. officials have expressed the following concern in private: A strong U.S. trade policy toward Japan is urging Japan to "turn to Asia at a greater speed." Singapore Senior Minister Lee Kuan Yew said bluntly that it is to no avail for the United States to bring pressure to bear upon China with respect to the human rights issue. Where the human rights issue is concerned, the United States will find itself in an isolated position in the Asia-Pacific region.

2. Due to sustained and rapid economic growth in the Asia-Pacific region over the last few years, the United States has attached greater importance to, and pinned greater hopes on, this region. The Clinton administration is clearly aware that it is of the utmost importance to maintain U.S. involvement in this region and that it cannot afford to sacrifice its long-term interests for "extreme and shortsighted objectives." Clinton has stressed that "the Pacific region can and should become an enormous source of American people's employment, income, cooperation, ideology, and economic growth." Secretary of Commerce Ron Brown even said that the United States will initiate a "Pacific trade-promotion campaign," to stimulate U.S. exports in the region across the Pacific, and which will become the "key content" of the U.S. strategy for the Asia-Pacific region. In line with this, the U.S. Government has put forward the plan to set up a "new Asia-Pacific regional trade area" to speed up the process of economic integration in the Asia-Pacific region.

3. The United States feared that if it continued to exert pressure upon China using the excuse of "human rights," it would encourage China to move closer to Russia to the disadvantage of the United States. Since the new Russian parliamentary elections late last year, the United States has felt it difficult to tell how the political situation in Russia would develop and what policies the new government would pursue. It was upset over the fact that it could exert little influence upon the political situation in Russia. On the other hand, the new Russian Government, since it was set up, has pursued a "double-headed eagle" diplomatic policy. While strengthening its independent position on a number of major international issues, and thus distancing itself somewhat from the West, it has stressed the need to expand its relations with a great number of developing countries, including China. Though the United States is certain that China and Russia are unlikely to reestablish the "special relationship" they had in the 1950's, the close relations between China and Russia, which border each other and are big countries in Asia and Europe respectively, was of great concern to the United States.

4. The Clinton administration has adjusted its diplomatic policy toward the Asia-Pacific region to reverse the previous situation, wherein the United States was thrown into passivity and ran into a stone wall everywhere, to carry through the plan to set up the "New Pacific Community." This community is, in essence, a pan-Pacific structure based on Western democratic values with the United States as the mainstay, the speeding up of economic integration in the Asia-Pacific region as the link, and the multiple security system as the guarantee. As a U.S. official pointed out, for the United States, the top priority task is to overcome the nuclear crisis on the Korean Peninsula. This calls for cooperation between four countries and six parties in the region (the United States, China, Japan, South Korea, and North Korea). Clinton's decision to separate the human rights issue from the MFN issue has created favorable

conditions for developing Sino-U.S. relations and intensifying cooperation in the Asia-Pacific region.

It should be pointed out that due to its natural disposition, the United States, which poses as the only superpower, will not give up its attempt to peddle its values in other parts of the world, including the Asia-Pacific region. Its power politics and hegemonism will still appear in some matters "without its knowledge."

#### **U.S. Senate Approves \$30 Billion Crime Bill**

OW2608060494 Beijing XINHUA in English 0523  
GMT 26 Aug 94

[Text] Washington, August 25 (XINHUA)—The U.S. Senate voted 61-38 tonight for a 30-billion-dollar anti-crime bill that would put 100,000 more police on American streets to fight rising crimes.

The bill, a major federal effort to combat crime, would also make more than 50 additional offenses, including drive-by-shootings, kidnapping and carjackings resulting in death, subject to the death penalty.

The legislation would mandate life sentences for those convicted of a third violent felony and allow 13-year-olds to be tried as adults for crimes such as murder, assault, robbery and rape.

According to U.S. Government statistics, there were 1.9 million violent crimes, including 26,250 murders, in the United States in 1992.

To jail more criminals, the bill would provide 10.5 billion dollars in grants to states and local governments to help build new prisons or expand existing ones.

The bill would also allocate more than seven billion dollars for crime prevention programs that include midnight basketball, art classes, boys and girls clubs and job counseling.

The prevention programs were denounced by Republicans as "pork barreling" and "social welfare," becoming one of the most controversial items of the bill.

Another controversial issue is the bill's ban on 19 named types of firearms and scores of others that the government characterizes as assault-style weapons. The National Rifle Association lobbied hard against the ban.

However, the ban would exempt 650 named firearms and all guns legally bought before the law took effect.

According to official estimates, there are 216 million firearms already in the private hands of Americans.

The bill was approved by the house 235-195 last Sunday after trimming three billion dollars of spending, mostly for prevention programs.

President Bill Clinton, who has lobbied heavily for the bill, is expected to sign it shortly.

## Northeast Asia

### Japanese Politician Takako Doi Arrives

OW2508140194 Tokyo KYODO in English 1348 GMT  
25 Aug 94

[Text] Beijing, Aug. 25 KYODO—Japan's House of Representatives Speaker Takako Doi arrived in China on Thursday [25 August] on the last leg of a three-nation Asian swing and met Qiao Shi, chairman of the National People's Congress.

"I have been looking forward to seeing you," Qiao said in welcoming Doi before entering into talks about a mutual exchange of legislators, the focus of her confidence-building tour. During her visit to Malaysia and Singapore earlier this week, Doi also conveyed Japan's determination never to go to war again as Japan looks ahead next year to the 50th anniversary of the end of World War II.

### Qiao Shi Meets Takako Doi

OW2508144994 Beijing XINHUA in English 1422  
GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, met with Takako Doi, speaker of the House of Representatives of Japan's Diet, and her delegation here this evening.

Takako, a well known stateswoman in Japan, is an old friend of the Chinese people. Qiao expressed his appreciation for her many years of effort in promoting friendly relations and cooperation between Japan and China.

Qiao said since the two countries normalized relations, tremendous progress has been made in bilateral ties in the fields of politics, economy, science and technology as well as culture with the common efforts by the two governments, parliaments and far-sighted people. He urged the two sides to continue their efforts to push forward such relations.

Qiao said friendly exchanges between the parliaments of the two countries are a component part of bilateral relations. The NPC intends to make fresh efforts for bilateral ties together with the House of Representatives of Japan.

He said to strengthen exchanges and cooperation between the two countries conforms to the fundamental interests of the two peoples, and also promotes peace and prosperity in Asia-Pacific region and the rest of the world.

Takako said the Japanese side should draw from past lessons and look forward to the future so as to ensure that bilateral ties grow on the basis of mutual trust.

During the meeting the two sides also discussed the two countries' politics, economic growth and contacts between their women.

After the meeting, Qiao gave a banquet in honor of Takako and her party who arrived here for a goodwill visit to China as Qiao's guests.

Among those present on both occasions were Qiao's wife, Yu Wen, and Chen Muhua, vice-chairman of the NPC Standing Committee.

### Li Lanqing Meets Japanese Guests

OW2508143994 Beijing XINHUA in English 1407  
GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—China's Vice-Premier, Li Lanqing, met here today with a delegation from Japan's Sanwa Group, headed by Kawakashi Kainji, senior consultant of Sanwa Bank.

Li briefed the Japanese guests on China's political and economic situation, and the country's reform in the fields of finance, taxation and foreign trade.

Li expressed his appreciation for Sanwa's cooperation with China.

Song Jian, State Councillor and minister in charge of State Science and Technology Commission, also met the delegation here today.

After the meeting, Song was present at a signing ceremony of an agreement between Sanwa and the China Science and Technology Exchange Center on science and technology exchanges. This is the third time the agreement has been renewed since the first time in 1985.

Sanwa's loans to China have amounted to 2.7 billion U.S. dollars, and that the group has established 50 companies in China.

### More on Meeting

OW2508164694 Beijing XINHUA in English 1428  
GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—Chinese Vice-Premier Li Lanqing said here today that foreign companies should cement cooperation with China in fields of energy, communication and telecommunications, the priorities of China's economic development.

He told Kumagai Naohiko, chairman of Japan's Mitsui & Co. Ltd, during their meeting this afternoon that foreign enterprises should also invest in central and western China, which are backward compared with China's coastal area.

To narrow the difference between inland and coastal areas is one of the economic strategy China is adopting, he said, adding that the central and western China, with rich sources, have many advantages for economic development.

Naohiko said that his company attaches great importance to its cooperation with China, and is planning to further its ties with the country by increasing investment in more fields.

The group is expected to establish more than one-hundred companies in China with a total investment of billions of U.S. dollars.

Wu Yi, minister of foreign trade and economic cooperation (MOFTEC), also met with Naohiko and his party earlier today.

Established in 1870, Mitsui Company, as one of Japan's major consortiums, has set up 12 branches, and over 50 companies in China. Its trade volume with China in last year reached 3.3 billion U.S. dollars.

Naohiko and his delegation arrived here yesterday at the invitation of MOFTEC.

### Beijing, Seoul Banks Bid for Closer Ties

OW2608114394 Beijing XINHUA in English 0835  
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—The State Development Bank of China (SDBC) and the Korea Development Bank (KDB) of the Republic of Korea will cooperate on issuing financial bonds on the international market.

Under an agreement reached here today, the two banks will discuss the prospects of issuing such bonds and ways to issue them.

Yao Zhenyan, governor of the SDBC, and his ROK counterpart, Ni Hyung-ku [name as recieved], signed the cooperation agreement on business promotion between the two banks.

According to an official of the SDBC, the two banks will also cooperate on lending, information exchange and personnel training.

The agreement was the first of its kind for the SDBC, which was set up five months ago to conduct banking business in fixed-asset investment under state policies.

The KDB, owned by the ROK Government, has a 40-year history in supporting the successful growth of the steel and iron, auto-making and shipbuilding industries in its country.

### Southeast Asia & Pacific

#### Malaysian Deputy Premier Leaves for Beijing

OW2508055394 Beijing XINHUA in English 0529  
GMT 25 Aug 94

[Text] Kuala Lumpur, August 25 (XINHUA)—Malaysian Deputy Prime Minister Anwar bin Ibrahim left here today for Beijing on his first official visit to China.

Accompanying him was his wife Dr. Wan Azizah, a 26-member official delegation including Deputy Minister of Education Fong Chan Onn, Deputy Minister of Works Kerk Choo Ting and a contingent of 166 entrepreneurs.

During the visit, Anwar, who is also finance minister, will meet Chinese leaders, tour several major cities, witness the signing of memoranda of understanding on economic cooperation and address an international conference on "interaction for development of southeast Asia and China in the 21st century" in Beijing on August 26.

The visit, a follow-up to Prime Minister Mahathir's working trip to Beijing in May, is scheduled to last till August 31, and is widely seen as a move to further strengthen the friendly bilateral relationship between Malaysia and China.

Anwar's overseas tour also takes him to Japan from August 31 to September 5.

#### Zhu Rongji Meets Deputy Premier

OW2508164794 Beijing XINHUA in English 1443  
GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—Chinese Vice-Premier Zhu Rongji said today China values its friendship and cooperation with Malaysia and regards Malaysia as "a very good friend and cooperative partner".

Zhu, holding talks with visiting Malaysian counterpart Anwar bin Ibrahim here this evening, said that the development of the bilateral relations has been good since the two countries established diplomatic relations 20 years ago.

The two countries have enjoyed effective cooperation in the areas of economy, trade, science and technology, education and other spheres, Zhu noted.

"Our cooperation holds out broad prospects, and I am fully confident in the future of our friendly relations and cooperation," Zhu said.

He expressed the belief that the current visit to China by Anwar and his huge industry-and-commerce delegation will give a boost to the cooperation between the two countries.

Anwar, also Malaysian minister of finance, noted the tremendous changes in China in recent years, which, he said, impressed him deeply.

Malaysia views China as a country of importance and a great friend, Anwar said, adding that he intends to see more of China during this trip and to promote the further development of the bilateral relations and cooperation.

Zhu Rongji said that China attaches great importance to its friendly and good-neighborly relations with surrounding countries, including the association of southeast Asian nations.

"We believe that all problems can be solved through consultations and negotiations," he stressed.

Zhu also voiced appreciation for Malaysia's support to China in its relations with other countries.

During the talks, Anwar expressed sympathy to Chinese flood victims and presented, on behalf of his government, 100,000 U.S. dollars to the Chinese Government to provide relief for the victims.

After the meeting, Zhu hosted a banquet in honor of the Malaysian deputy prime minister and his party.

Invited by Zhu, Anwar arrived here this afternoon for a week-long official visit. Over 130 Malaysian businessmen accompanied him on the tour.

### Li Peng Stresses Relations

OW2608143194 Beijing XINHUA in English 1258  
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—Chinese Premier Li Peng, meeting with Malaysia's Deputy Prime Minister Anwar Ibrahim here today, said that China attaches importance to relations with Malaysia.

On a separate occasion, Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, also met with Anwar.

According to a Chinese Foreign Ministry official, Li said the relations between China and Malaysia have been good in recent years in the political, economic, cultural and other fields.

The two countries not only share views on the human rights issue, but have common ground on many other international and regional issues.

"We attach importance to the development of relations with Malaysia because such relations are conducive to peace and stability in this region as well as to our two countries."

The Chinese premier said he hoped that joint efforts would be made in order to forge a "long-term stable relationship" which the two countries can "carry into the 21st century".

Anwar echoed Li on his remarks on bilateral ties. He was quoted as saying that such relations are "very good" at present and Malaysia and China are "good friends."

Li once again voiced his support for the program of the East Asia Economic Caucus (EAEC) initiated by Malaysian Prime Minister Mahathir Mohamed.

He said east Asia has the world's fastest-growing economy, and to establish mutual economic links and a multilateral forum will be favorable to peace and stability in the region.

During his meeting with Anwar, NPC Chairman Qiao Shi recalled his visit to Malaysia last year.

He said the recent years have seen "rapid and comprehensive" development in Sino-Malaysian relations and such relations are expected to grow further.

At the request of the visitors, Qiao gave an account of the work of the NPC, China's top legislature, during the process of building a socialist market economy.

### Seminar Opens in Beijing on Southeast Asia Cooperation

OW2608105594 Beijing XINHUA in English 0749  
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—A seminar aimed at promoting mutual understanding and cooperation between China and southeast Asian nations opened here today.

Another topic of the seminar is how to maintain stability and development of the Asian Pacific region around the turn of the century.

Wang Guangying, vice-chairman of China's National People's Congress Standing Committee, and visiting Malaysian Deputy Prime Minister Anwar Ibrahim were present at the opening ceremony of this "International Conference on Interaction for Development—Southeast Asia and China in the 21st Century."

Anwar Ibrahim said at the opening ceremony that China and southeast Asian nations enjoy traditional friendly relations.

Now the situation in Asia Pacific region is relatively stable and the economy in this region is developing rapidly. Therefore, China and southeast Asian countries have opportunities to establish "new relations," he said.

The deputy prime minister noted that China and southeast Asian nations need to strengthen cooperation in politics, economy, security and other areas so as to seek common development.

The two-day seminar is jointly sponsored by the Center for Peace and Development under the China Association for Friendly International Contacts, the Institute of Policy Research of Malaysia and the Information Resource Center of Singapore.

During the meeting, 300 participants from political and economic circles of China, Malaysia, Singapore, Thailand, Indonesia, the Philippines, Cambodia and Myanmar [Burma] will discuss cooperation between China and southeast Asian nations in trade, investment, security conditions and culture.

Also attending today's opening ceremony were Huang Hua, president of the China Association for Friendly International Contacts and government officials and scholars from participating countries.

**Malaysian Prime Minister Meets Visiting Hainan Governor**

*HK2408144994 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 17 Aug 94*

[Text] In his Kuala Lumpur office, Malaysian Prime Minister Mahathir met with the visiting Hainan governor on the afternoon of 16 August. During the meeting, Ruan Chongwu briefed Prime Minister Mahathir on Hainan's development since becoming a province, and on Hainan-Malaysia economic and trade cooperation. Ruan Chongwu said that the purpose of his visit to Malaysia was to learn and draw upon Malaysia's successful economic development experience; brief personalities in Malaysia's political, industrial, and commercial circles on Hainan's development; enhance understanding between Hainan and Malaysia; and explore new channels for expanding bilateral cooperation.

Prime Minister Mahathir expressed a welcome to Ruan Chongwu and his entourage. He said that he had once paid a brief visit to Hainan, and had been deeply impressed by Hainan's rapid economic growth and beautiful natural

environment. After inquiring in great detail about Hainan's development, Prime Minister Mahathir pledged himself to further pushing forward exchanges and cooperation between Hainan and Malaysia in all fields, and further expanding areas of bilateral cooperation.

At the invitation of Malaysian Transport Minister Ling Liong Sik, a seven-member delegation headed by Ruan Chongwu arrived in Kuala Lumpur on 15 August. On the morning of 16 August, Ruan Chongwu called on Mr Ling Liong Sik, and exchanged views with him on Malaysia-Hainan cooperation in the field of transport, and especially on opening up a high-grade tourist flight route between Hainan and Kuala Lumpur.

During their stay in Malaysia, Ruan Chongwu and his entourage will conduct extensive contacts with some renowned personalities in Malaysia's political and industrial circles. On 21 August, the Hainan delegation will leave Malaysia for an official visit to Indonesia.

Over the past two days, the Hainan entrepreneurs accompanying Ruan Chongwu to Malaysia have held some business talks with their Malaysian counterparts.

**Political & Social****Li Peng Calls For Efforts To Clean Huaihe River***OW2608080594 Beijing XINHUA in English 0747  
GMT 26 Aug 94*

[Text] Beijing, August 26 (XINHUA)—Chinese Premier Li Peng has called for efforts to clean up the Huaihe River, a major water network in east China.

The premier said this after hearing reports on a pollution accident in the river valley which has caused a drinking water shortage effecting hundreds of thousands of people, and an economic loss of more than 100 million yuan in Anhui and Jiangsu Provinces.

The pouring down of polluted water from Henan and Anhui Provinces on the upper stream since late July has taken its toll on 12 million kg of fish and 13,000 kg of crabs in lower valley areas, according to an official report.

The premier said all the enterprises along the river, no matter how big they are, will have to reduce effluents to acceptable standards by 1997, or they will be closed, though that may have an adverse effect upon the local economy.

The premier called for a stricter implementation of the environmental law, saying that enterprises causing serious pollution must be duly punished.

Since August 20, the director of the State Bureau of Environmental Protection Xie Zhenhua, and Vice-Minister of Water Resources Yan Keqiang, have been in Jiangsu to investigate the accident.

**Li Tiesing Discusses Cultural Relics Protection***OW2508164594 Beijing XINHUA in English 1434  
GMT 25 Aug 94*

[Text] Xian, August 25 (XINHUA)—The protection of cultural relics should be adapted to the new situation of the market economy and made to serve economic construction.

Chinese State Councillor Li Tiesing said this during his August 22 to 24 inspection of northwest China's Shaanxi Province, which has one-tenth of the total number of the country's cultural and historical relics.

Li, also a member of the Political Bureau of the Central Committee of the Communist Party of China, noted that as Shaanxi Province is one the original places and the cradle of the nation, the province should well protect such relics as the terracotta warriors, the ancient city walls, the Afang Palace ruins of the Qing Dynasty.

The protection of cultural relics should be put into the province's social development program, urban construction plans, the fiscal budget, the structure reform agenda and the criteria for evaluating the local leaders' work, Li said.

Li also pointed out that the masses should be motivated to participate in the protection of relics.

Accompanied by the local officials, Li visited some historical sites in Xian city, capital of the province.

**Newspapers Mark Deng's 90th Birthday***HK2608071894*

[Editorial Report] While the 22 August issues of the Beijing newspapers RENMIN RIBAO, RENMIN RIBAO OVERSEAS EDITION, and JIEFANGJUN BAO published major articles and commentator articles on Deng Xiaoping's legacy without mentioning his 90th birthday (nor did CHINA DAILY or GUANGMING RIBAO note the occasion), the two major PRC-owned Chinese-language dailies in Hong Kong, WEN WEI PO and TA KUNG PAO, marked the anniversary with varying degrees of pictorial coverage.

Hong Kong WEN WEI PO on 22 August, page B1, devotes a full color photo page to Deng Xiaoping introduced by a large caption reading "Deng Xiaoping: Born 22 August 1904 in Paifang Village, Xiexing Township, Guang'an County, Sichuan Province, is 90 years old today." The upper right quarter of the page is a photograph of Deng Xiaoping sitting on a rattan chair at Beidaihe in 1985. There are three small photographs on the top left: Deng in France in 1921; Deng holding a baby in 1969 while enduring "three years of hardship" with his family in Nanchang during the "Cultural Revolution"; and Deng with Liu Bocheng during the War of Liberation. The Reference Room of WEN WEI PO, which provided the photos, also presents a report "Deng Xiaoping, Chief Architect of China's Reform and Opening Up," giving a brief biography of Deng. There are also seven smaller photographs on the lower half of the page: "Accompanied by General Secretary Jiang Zemin, Deng meets all members attending the Fifth Plenary Session of the 13th CPC Central Committee in 1989"; "Deng inspects a pharmaceutical factory in Zhuhai during his southern tour in 1992"; "Deng is fond of playing bridge"; "Deng at Beidaihe in the summer of 1985" (shown swimming); "Accompanied by Beijing Vice Mayor Zhang Baifa, Deng inspects the Capital Airport Expressway in October 1993"; "Deng inspects rural mountain area in Sichuan, 1984"; and "While visiting the United States in 1979, Deng joins President Carter and his wife, waving from the White House balcony to the masses on the lawn."

Hong Kong TA KUNG PAO in Chinese marked the occasion with less fanfare. On 21 August it carried on page 1 a Hong Kong ZHONGGUO TONGXUN SHE report on the Central Party School designing and producing a new Deng Xiaoping plaque. The paper published on the same page a photograph of Beijing residents visiting a Deng Xiaoping Photo Exhibition (it does not mention whether it is the "Deng Xiaoping Ninhao" exhibit). The photo accompanied a report attributed to UPI which noted that August 22 is Deng's 90th birthday.

On 22 August TA KUNG PAO carried on the top of page 4 three black-and-white photos: One is attributed to Associated Press and shows two men in Shenzhen bicycling past a large billboard of Deng, the caption noting that "Monday is Deng Xiaoping's 90th birthday"; the second, attributed to ZHONGGUO XINWEN SHE, shows the Taiwan general manager of a firm in Beijing holding a "recent photo of Deng eating Western food"; and the third, from XINHUA, shows two female workers at a Shantou plant laying out several of the new Deng Xiaoping plaques.

#### **New Version of Deng Xiaoping Plaque To Be Released**

HK2608071494 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0940 GMT 20 Aug 94

[Text] Beijing, 20 Aug (ZHONGGUO TONGXUN SHE)—A new version of the Deng Xiaoping plaque designed and made by the Central Party School and other units will soon be released.

Plated with 18-K gold, the Deng Xiaoping plaque available on the market now is 50 mm in diameter. On the front appears Deng Xiaoping's head, below which are seven Chinese characters meaning "Our chief architect." On the reverse side is a map of the world with China at the center. The map of China is engraved with 12 characters meaning "Building socialism with Chinese characteristics."

It is learned that, while the overall design remains unchanged, the new Deng Xiaoping plaque will have the words "Hello, Xiaoping" instead of "Our chief architect" on the front side; on the reverse side there will appear Deng Xiaoping's birthday "94.8.22" above the map of China and the words "respectfully dedicated by the people of the whole country" beneath.

The number of Deng Xiaoping plaques to be produced in the new edition remains the same, i.e., around 100,000.

#### **Commemorative Coins To Bear Image of Deng Xiaoping**

HK2608084394 Hong Kong WEN WEI PO in Chinese 22 Aug 94 p A2

[Text] Shenzhen, 21 Aug (WEN WEI PO)—To mark the second anniversary of Deng Xiaoping's southern China inspection, the 15th anniversary of China's reform and opening up, and the 45th anniversary of the founding of the People's Republic, the China Gold Coins Company will release in August a set of four gold and silver coins to mark China's achievements in building special economic zones. This includes a five-ounce pure gold coin, a 1/2-ounce pure gold coin, and two one-ounce pure silver coins of different designs. The obverse of the coins shows the buildings in China's five major special economic zones, while the reverse shows the head and half-length portrait of Deng Xiaoping, chief architect of China's reform and opening up.

Minted by the state coin factory, this set of commemorative coins will be issued in China in limited quantities. There will be 99 five-ounce gold coins, 2,500 1/2-ounce gold coins, and 4,500 of each design of the one-ounce silver coins.

#### **Deng Xiaoping Theory Research 'Craze' Starts**

HK2508144794 Beijing ZHONGGUO XINWEN SHE in Chinese 0846 GMT 14 Aug 94

[By reporter Mo Fei (5459 7236)]

[Text] Guangzhou, 14 Aug (ZHONGGUO XINWEN SHE)—The book "Deng Xiaoping Theory and Guangdong's Practice," compiled by the Guangdong Deng Xiaoping Theory Research Center and which came off the press a few days ago, indicates that a craze for Deng Xiaoping theoretical research has started in Guangdong, the place where Deng initiated his reform and opening up.

The book, compiled by noted experts Zhang Nansheng and Liu Jingquan from the social science circles, is the first of a series on Deng Xiaoping theoretical research. In the preface to the book, Xie Fei, CPC Political Bureau member and secretary of Guangdong CPC Committee, points out: Deng Xiaoping's theory on building socialism with Chinese characteristics is Marxism for contemporary China. The establishment of a socialist market economic system, further emancipation and development of the productive forces, and acceleration of the pace of the socialist modernization have all set new and higher requirements on a theoretical, policy, and intellectual level and on the working capability of builders in the new period. To meet these requirements, it is necessary to profoundly understand and adeptly apply the theory of building Chinese-style socialism in practice.

The 330,000-character book is divided into five parts: "Great Breakthrough in the Theory of Scientific Socialism"; "Leap in Rural Economic Work"; "Great Creation of Special Economic Zones (SEZ) and Their Bright Prospects"; "Deep Exploration of and Brilliant Achievements of Reform, Opening Up, and a Market Economy"; and "The Important Theory and Practice of 'Grasping Two Links at the Same Time.'" The book, which includes 28 theses by variously Yu Youjun, head of Guangdong Propaganda Department; Zhang Lei, president of the Guangdong Academy of Social Sciences; experts and scholars from the theoretical circles; and builders of the SEZ's, makes a relatively systematic exposition of the basic contents, philosophical basis, and great significance of Deng Xiaoping theory. The book also profoundly contemplates and summarizes the SEZ's established in Guangdong, the trial implementation of the shareholding cooperative system in the rural areas, the establishment of a socialist market economy, and the practice of a series of policy decisions on reform and opening up.

During the initial period of reform and opening up, the huge portrait of Deng Xiaoping in the center of Shenzhen SEZ attracted the attention of people at home and abroad. The "Deng Xiaoping Photo Exhibition" put on one after another by a number of cities in Guangdong also attracted large numbers of the inhabitants. Guangdong has recently set up the "Deng Xiaoping Theoretical Research Center" and the "Deng Xiaoping Theory Society." The province has also made preparations for the symposium on "Deng Xiaoping Theory and Guangdong's Reform and Opening Up," which is to be held solemnly in Guangzhou from 16 to 19 August.

### Dissident Prefers Prison To Police Harrassment

HK2508144994 Hong Kong AFP in English 1441 GMT 25 Aug 94

[Text] Beijing, Aug 25 (AFP)—Former Chinese student dissident leader Wang Dan said Thursday he was ready to go to prison if police harassment against him does not stop. Wang said prison was one of the alternatives he was ready for as he steps up a campaign to counter 24 hour police surveillance. "I am perfectly conscious of the consequences but I no longer have the choice," said Wang, one of the leaders of the Tiananmen Square movement in June 1989. "If I cannot express myself freely then I might as well lose my liberty completely," he said in a message faxed to the international media.

Wang, 24, said that since June 4, the anniversary of the massacre in Tiananmen Square, he had been under continual surveillance. "If the government does not end this unbearable situation I am going to intensify my campaign (for democracy) and I am ready to go to prison," he said. He said police were always outside his front door. "I cannot take a step without them being there, on foot, in a car or on a motorcycle." "Their actions violate human rights, restrict my citizens rights and threaten those close to me," Wang wrote.

The dissident has already carried out several symbolic hunger strikes to protest the police action. But he said the situation has got worse. Arrested after the 1989 student campaign, Wang was sent to jail for five years but was freed in 1993 as part of a charm offensive before the International Olympic Committee chose the venue for the 2000 Games. The IOC chose Sydney instead of Beijing.

### Three Dissidents on Secret Trial Get 6 to 10 Years

HK2608041094 Hong Kong AFP in English 0356 GMT 26 Aug 94

[Text] Beijing, Aug 26 (AFP)—Three of the 14 dissidents tried secretly on "counter-revolutionary" charges in July after being held for more than two years have received sentences ranging from six to more than 10 years, sources said Friday.

Kang Yuchun, a 28-year-old doctor, was sentenced to "more than 10 years," a dissident source quoted an official in the Beijing People's Intermediate Court as saying.

The court handed down terms of between six and seven years to former meteorological station official Chen Qinglin and graduate student Wang Peizhong, both 24, in the largest political trial since the aftermath of the 1989 pro-democracy demonstrations.

The source had no information on the fate of the other 11 dissidents, while no one was available for comment at the court.

The trial went ahead last month after being repeatedly postponed, apparently due to foreign policy considerations such as Beijing's efforts to ensure renewal of its most-favoured-nation trade status with the United States in June.

The authorities have not yet officially revealed the verdicts of the cases.

Also prosecuted were lecturers Hu Shigen and Wang Tiancheng, workers Liu Jingsheng, Wang Guoqi, Xu Dongling and Rui Chaohuai, student Lu Zhigang, factory official Xing Hongwei, businessman Zhang Guojun, former student Chen Wei and unemployed individual Zhang Chunzhu.

### Dissident Protests Against Police Surveillance

HK2608091194 Hong Kong MING PAO in Chinese 26 Aug 94 p a10

[Report by staff reporter: "Wang Dan Protests Against Shadowing by Public Security Personnel; He Is Killing To Be Jailed or Die for Freedom"]

[Text] Wang Dan, leader of the Beijing student movement in 1989, yesterday issued a "farewell letter to friends at home and overseas on being ready to go to jail" to condemn the authorities for shadowing and watching him round the clock since the fifth anniversary of the "4 June" incident. In a telephone interview with this reporter, he guessed that the authorities wanted to drive him out of the country by means of such "reprehensible" acts but he intended to go to Tiananmen Square to stage a sit-in protest there. He said that in face of the current grim situation, he had prepared himself for going to jail or even for death.

Wang Dan, who has been placed under surveillance for nearly three months, issued the "farewell letter to friends at home and overseas on being ready to go to jail" from his residence in Beijing yesterday, saying that the authorities' surveillance over him had exhausted his "utmost forbearance" and he would rise against it and be ready to go to jail. He pointed out in the "farewell letter": "Some dozen people, together with two cars and a motorcycle, sent by them (that is, the public security bureau) stay around my residence. Every time I walk outside of my

home, they tail me closely...(these actions) have been intensified and I am shadowed at close range. Now, whenever I go out, they tail me either in motor vehicles or by men at a distance of not more than one meter. This is not ordinary tracking but undisguised intimidation."

Wang Dan pointed out in the "farewell letter" that as this year is most important to China's reform, he and other democratic activists had agreed to behave sensibly and rationally and make every effort to avoid any direct confrontation with the authorities for fear of triggering social instability. However, the authorities were still obstinate enough to violate his personal freedom and force him to abandon most of his normal activities.

Wang Dan said in the interview with this reporter: "This government has gone insane and is therefore anxious about me being a lunatic as well. How feeble it is underneath its seemingly powerful facade."

Wang Dan, who has sensed the authorities' "special surveillance," said he had stopped contacting most of his friends and could only go swimming, read books, watch movies, and write articles. However, he is never in the mood for leisure. He described his plight as even more unbearable than in prison because his family was also affected. He gave an example, saying that yesterday afternoon, he accompanied his parents to the Beijing Concert Hall to listen to music but the plainclothes public security personnel still followed them closely and it was so disappointing that they did not attend the concert.

Wang Dan guessed that the authorities wanted to drive him out of the country by means of such increasingly intensive surveillance. He told this reporter emotionally: "There is no need and no reason for me to go away (that is, to leave the country)."

He has decided if the situation does not improve, he will ask for the public security bureau's permission to march to Tiananmen Square and stage a sit-in protest there. He guessed that because of these moves, he may be sent to jail again or encounter other sorts of danger. He said: "I have made every preparation for this and the worst is to die. I should have died on the spot during the '4 June' incident and it is pretty good to still be alive now."

Yesterday, Wang Dan also called up the public security bureau and told them to "simply send him to jail" but the other side is "still polite" on the surface.

#### **Shanghai Police Give Poet Break From 'Thought Reform'**

*HK2608105794 Hong Kong EASTERN EXPRESS in English 26 Aug 94 p 9*

[By Bruce Gilley]

[Text] Shanghai police have allowed a poet, Meng Lang, a one-month reprieve from "thought reform" so he can

visit friends in the north. They have urged Meng, 32, to leave the country in order to lessen their work burden.

Since being brought back to the city from Shenzhen under armed escort in May, Meng has been required to visit the local Public Security Bureau (PSB) twice a week to hand in reports on "consideration of errors in thinking." "He couldn't stand it any longer, so he asked to go north for a rest," a friend said. "The PSB said they would give him one month, which they would look on as a school vacation."

Meng, who was jailed for six weeks in 1992 for his involvement in the underground literary journal *Modern Chinese Poetry*, fled to Shenzhen in February after being harassed by police over his connections with *Tendency*, a U.S.-based journal.

After being caught and taken back to Shanghai, he was forbidden to write anything except the reports to the PSB.

Police told him before his "school vacation" that if he could get an overseas university position they would expedite his exit application.

Another Shanghai intellectual associated with *Tendency*, Zhu Dake, 37, left for a one year teaching assignment in Australia yesterday. "The PSB made it very easy for me to leave but coming back could be a big problem," he said. The PSB forced Zhu to resign from his post at the Shanghai Teachers' College before leaving. "Their strategy now is to send anyone they don't like abroad," he said. "They are not as smart as the Beijing police when it comes to dealing with those holding different views. They only know how to call people into the police station or send them abroad."

Meanwhile, former Chinese student dissident leader Wang Dang said yesterday that he was ready to go to prison if police harassment against him does not stop, AGENCE FRANCE PRESSE reported.

"If I cannot express myself freely then I might as well lose my liberty completely," said Wang in a message faxed to the international media.

He said police were always outside his door: "I cannot take a step without them being there, on foot, in a car or on a motorcycle."

#### **Unemployment Posing 'Ever-Increasing Threat' to Stability**

*HK2608083594 Beijing CHINA DAILY in English 26 Aug 94 p 2*

[ "Unemployment Problem Requires Immediate Action" ]

[Text] Unemployment pressure has posed an ever-increasing threat to healthy economic growth, reform and stability, according to the China Labour News.

The central government needs to take steps to cut unemployment and settle the surplus rural labour, the paper said.

Along with 3 to 4 million new urban workers, tens of millions of surplus workers from State and rural enterprises are searching for work. And more than 100 million rural labourers have also joined the job hunt in big cities.

In recent years, the labour force annually grew by 14 million, including 10 million rural labours and 4 million urbanites. The urban unemployment rate hit 2.6 percent last year, jumping 0.3 percent from 1992.

The government predicts the figure will reach 3 percent this year, meaning 5 million people will be jobless by the end of this year. And more job losses will come next year, the newspaper said.

Rural areas are oozing with surplus labours—130 million so far, or almost 11 percent of the nation's population. That number is expected to top 200 million by the end of this century, the newspaper said. They will continue to flood the cities to make a living, posing the biggest unemployment threat to the government.

Meanwhile, statistics departments estimate that 20 percent of all the workers in State enterprises are surplus. This comes in addition to workers already displaced from the factories that have shut down, making the toll well above 15 million.

A free labour market places more employment obstacles in the way of women, the disabled and demobilized soldiers.

So the situation is quite austere, far underestimated by the 2.6 or 3 percent jobless rates. Considering there are 5 to 6 million workers who have not been paid in months, the real unemployment rate would well double the government figures.

Fortunately, robust economic growth and more reforms are bringing in more job opportunities and improving the job market, the newspaper said.

The sizzling growth of the rural economy and rural industries have provided vast job opportunities for surplus labourers.

Last year, rural enterprises employed 123 million people, 7 million more than in 1992, according to the newspaper.

Meanwhile, many State enterprises have set up companies or expanded businesses to resettle their excess employees.

But the employment capacity of State units is much more limited compared with that of the fast expanding collectively-run and private companies.

Last year collectives took on about 40 million people and self-employed businesses hired 10 million, according to the newspaper.

The labour reform and labour markets also open up more channels for jobs.

The measures include introducing the labour contract system and unemployment insurance and establishing labour markets.

To keep abreast with the growing unemployment, the paper called for focusing on promoting rural jobs and exploring work in non-State enterprises.

Labour migration is becoming the biggest problem of national employment. But traditionally, rural employment has been excluded from government considerations. It is high time the government care more about the issue.

And the main channel of employment should be shifted from State to non-State units, especially collectives.

Collective employees outnumbered those with State enterprises last year. Collective and rural enterprises are expected to make up 45 percent of the workforce.

The government needs to spur productive industries in rural areas and service industries in cities to create more jobs.

About 70 percent of rural enterprise employees are in production; the rest are in service industries.

In addition, it is important for governments to use market and economic levers to create jobs and abandon administrative measures.

At the same time, the State must direct a rational shift of labour and rein in unemployment, the newspaper said.

The central government should continue to cut taxes on companies that employ a minimum number of surplus labours and the handicapped.

Labour statistics management should be improved to provide unified, correct and scientific data.

#### **Nationwide Inspection of Peasants' Burdens**

*HK2608071094 Beijing NONGMIN RIBAO in Chinese  
30 Jul 94 pp 1, 4*

[Circular of Agricultural Ministry on Carrying Out the Special Inspection of Peasants' Burdens]

[Text] To the departments (bureaus) of agriculture (animal husbandry and fishery) and agricultural (economic) committees (offices) of all provinces, autonomous regions, municipalities, and cities specially designated in the state plan, as well as the Department of Agriculture and Industry of the Jiangsu Provincial Party Committee:

In order to further implement the State Council's "Regulation on the Management of Fees and Labor Contributed by Peasants"; in keeping with the spirit that "rural management and supervisory organs at the county and township levels should perfect as soon as possible the special inspection [shen ji 1399 6060] system for fees and

labor contributed by peasants, and should further strengthen the standardization and legal management of peasants' burdens," as provided for in the CPC Central Committee's and State Council's "Policy Measures Regarding the Development of Agriculture and the Rural Economy at the Present Time (Number 11 "1993" published by the Central Committee); and in keeping with the demand that "rural management and supervisory organs at the county and township levels should inspect peasants' burdens each year," as provided for in the State Council General Office's "Circular on Further Improving the Supervision and Management of Fees and Labor Contributed by Peasants" (Number 42 "1992" published by the State Council General Office); each year, rural management and supervisory organs at all local levels should conduct special inspections of how the fees and labor contributed by peasants in their own areas are pooled, managed, and used. Here is a notice on the relevant matters:

#### **I. The Parties and Main Tasks in the Special Inspections of Peasants' Burdens**

The special inspection of peasants' burdens is an important part of the supervision and management of peasants' burdens. The parties to be inspected are the units that pool, manage, and use the fees and labor contributed by peasants. Its main tasks are to inspect and supervise the following things: 1) Whether the fees and labor services set for peasants and pooled from them are legal or not, and whether they are implementing the principle of "setting limits on fixed items and pooling labor appropriately"; 2) Whether the methods of apportioning and pooling fees and labor contributed by peasants are wrong or not; 3) Whether there is a misappropriation and indiscriminate transfer of a village's withdrawn and retained funds and labor, or a township's organization funds and labor contributed by peasants; 4) Whether the formulation and implementation of the financial income and expenditure, and the budgeting and accounting of the fees and labor contributed by peasants are up to regulations and laws, and whether the financial and accounting data are complete and true or not; 5) Entrusted by the local people's government, it will join relevant departments in examining the pooling and use of the fees, collected funds, and funds for administrative undertakings that involve peasants' burdens; 6) Handle other related jobs assigned by organs at the higher level and by the local people's government.

#### **II. The Basic Procedure for Conducting Special Inspections of Peasants' Burdens**

1. The special inspections of peasants' burdens should determine the major points of inspection and the fiscal inspected items in keeping with the demands of the department in charge at the higher level and the local people's government, and in light of local conditions;
2. After determining the inspected items, an inspection plan should be drawn up and an inspecting organization set up, and the unit to be inspected should be notified.

3. The inspecting organization should obtain documents of proof and inspect relevant items in keeping with the demands of the inspection plan and the limits of its functions, and through examining the relevant proof, account books, and reports; checking documents and data; examining and verifying cash and physical goods; or investigating relevant units and peasants.

4. After concluding an inspection, the inspecting organization should give an inspection report to its supervisory organ, and the inspection report should solicit the views of the inspected unit. The inspected unit should send its views in writing to the inspecting unit within 10 days of receipt of the inspection report.

5. The supervisory organ is to examine the inspection report, make an inspection conclusion and decision, and make them known to the public through their implementation by the inspected unit or the relevant units. Before making an inspection conclusion and decision on important matters, the views of relevant departments should be solicited.

6. The inspection report, conclusion, and decision should be given to the local people's government simultaneously.

7. If an inspected unit does not agree with the inspection conclusion or decision, it may apply to the inspection supervisory organ at the higher level for a review within 15 days of receipt of the inspection conclusion and decision. The inspection supervisory organ at this higher level should make a conclusion and decision on the review within 30 days of receipt of the application. During the application and review, the original conclusion and decision must be implemented.

8. Organizations for the special inspection of peasants' burdens at all levels must keep a file of inspected matters, and must strengthen management in accordance with regulations.

#### **III. The Functions and Powers of Organizations for the Special Inspection of Peasants' Burdens**

1. Examine the accounts, data, and documents of an inspected unit which relate to the fees and labor contributed by peasants.
2. Attend the inspected unit's meetings, especially those related to the inspection; carry out investigations; and obtain proof of the problems found during the inspection.
3. Order the inspected unit to correct its incorrect methods of apportioning, pooling, management, and use, and to return any money and goods obtained illegally.
4. Make suggestions to the relevant organs in charge, in accordance with relevant regulations, as to how to handle the various acts of illegally increasing peasants' burdens, as found during the inspection.

5. May adopt temporary measures, such as sealing up the account books and assets of an inspected unit that hinders, refuses, or hampers an inspection, and make suggestions as to affixing responsibility to the relevant persons after reporting the matter to the local people's government and obtaining its approval.

6. Make suggestions to the relevant organs for the commendation of units and individuals that strictly observe the laws and regulations on the supervision and management of peasants' burdens, and that properly manage and use the fees and labor contributed by peasants, as found during the inspection.

7. Give a true report to the supervisory organ at the higher level and to the government at the higher level, and make suggestions to them regarding the major problems or matters related to the persons-in-charge, as found during an inspection.

#### **IV. Organizations and Personnel for the Special Inspection of Peasants' Burdens**

1. The rural management and supervisory department is the special department with functions for inspecting peasants' burdens and is the department in charge of the special inspections, as designated by the State Council. The Department of Agricultural Cooperation and Economic Guidance of the Ministry of Agriculture is in charge of the inspection of peasants' burdens across the country. County and village rural management and supervisory departments assume the special inspection of peasants' burdens.

2. The organization for the special inspection of peasants' burdens is a component of the departmental organ in charge of the supervision and management of peasants' burdens, and performs its work in accordance with relevant state laws, regulations, and policies.

3. For the special inspection of peasants' burdens, the organs for the supervision and management of peasants' burdens at all levels should gradually recruit personnel who possess a comparatively high policy level and who have some experience in inspection. It is necessary to strengthen training and management, and gradually to promote the system of filling posts with those who have proven capabilities.

4. Workers conducting the special inspections of peasants' burdens must be devoted to their duty, stick to principles, be objectively fair and honest in performing their official duties, and guard secrets.

#### **V. Strengthen Leadership and Conscientiously Make a Success of This Year's Special Inspection of Peasants' Burdens**

The main points of this year's rural inspection are to inspect the pooling, management, and use of villages' deducted and retained fees and organization fees, and of labor contributed by peasants for the year 1994. All localities must pay good attention to it. It is necessary to

conscientiously control the fees and labor contributed by peasants within the state specified limits, and to ensure that they are pooled according to law, managed in a standardized way, and used rationally.

All localities must make unified preparations for this year's special inspection of peasants' burdens. The authorities at the county and township levels must carry out the inspections in the third quarter of the year simultaneously. The county-level authorities should inspect mainly how township organization fees are pooled, managed, and used, while township-level authorities should inspect mainly the pooling, management, and use of villages' deducted and retained fees and labor. Every township is to inspect one third of its villages, and every county is to inspect one fourth of its townships. On this basis, authorities at the provincial and prefectural levels are to conduct sample inspections. Every province is to conduct sample inspections of no less than three counties. The findings of an inspection must be made known to the public, and must be reported to the organ for the supervision and management of peasants' burdens at the higher level. All provinces (autonomous regions and municipalities) and cities specially designated in the state plan must report the findings of the inspections to the Ministry of Agriculture before the end of March 1995.

The special inspection of peasants' burdens must be carried out under the leadership of the local party committee and government. It is necessary to organically integrate the special inspection with other measures for the supervision and management of peasants' burdens and with rural collective financial management, and to integrate the examination of problems with the handling of problems. The findings of the inspections should be used as an important basis for measuring the implementation of policies for lightening peasants' burdens in all localities. How the special inspection is carried should be used as an important basis for the work of supervising and managing peasants' burdens at all levels.

Carrying out the special inspection of peasants' burdens is an important measure in implementing strictly the CPC Central Committee's and State Council's policy and regulations on lightening peasants' burdens. It is also an important means to learn about the reality of peasants' burdens. The organs for the supervision and management of peasants' burdens at all levels should attach importance to it, strengthen leadership, and perform the work conscientiously. Moreover, they should properly coordinate relevant departments, and arrange for the necessary personnel and funds so as to ensure smooth progress in this work.

[Dated] 7 July 1994

[Signed] Ministry of Agriculture

### **Circular Urges Localities Not To Issue New Price Measures**

OW2508121794 Beijing XINHUA Domestic Service in Chinese 0556 GMT 24 Aug 94

[Text] Beijing, 24 Aug (XINHUA)—The State Council recently issued a circular calling on governments at all levels to refrain from issuing new price regulatory measures. The State Council circular pointed out: This year, major reforms launched by the CPC Central Committee and the State Council were smoothly carried out, various microeconomic regulations and control measures produced the desired results, and a basic balance between total supply and total demand and between growth rates and economic returns was gradually maintained. Nevertheless, the increased rate of current market prices and consumer prices remains quite high. To ensure smooth implementation and continuous perfection of China's various reform measures and to create good microeconomic regulation and a controlled environment for economic development and social stability, the State Council urged localities and departments to firmly carry out the State Council circular's guidelines, enhance their awareness, and take steps to lower the high increased rate of commodity prices and to create a better environment for reform and development in 1995 and in the future. To achieve this goal, the State Council decided:

1. To increase supply efficiently and tighten price regulatory measures. People's governments at all levels must make efforts in agricultural production and in "vegetable basket" projects, and do a good job in procurement, transportation, storage, and supply of various commodities, people's daily necessities in particular. They must promptly replenish the stock and increase reserves according to the plans approved and issued by the State Council to meet market demands;
2. To stop assigning new price regulatory items. People's governments at all levels must pay attention to the chain reaction brought about by the price regulatory measures launched in the first half of this year. They must take the overall situation into consideration and stop assigning new local price regulatory items in the last half of this year. Local financial institutions should offer appropriate financial aid to those enterprises that have really suffered from price regulatory measures to maintain the basic stability of market prices;
3. That localities are not allowed to collect extra fees from power supply and railway sectors in the name of various local construction funds. Various construction funds set up by local governments without approval from the State Council must be canceled immediately;
4. That various localities and departments must make great efforts to tighten price order, strengthen supervision over and inspection of prices. They must seriously investigate and deal with people who take advantage of reform or exceed their authority to raise prices, and who cheat customers and profiteer by manipulating prices. They must resolutely ban various unauthorized fees;

5. That localities must conform to the State Council's provisions to strengthen supervision over the prices of people's daily necessities and prices charged by the service sector and continue to carry out the price tag system to stabilize market and commodity prices; and

6. That governments at all levels must continue to carry out the responsibility system for controlling the general index of commodity prices. They must regard their progress in controlling the general indices of retail prices and consumer prices as the main criteria for assessing their administration achievements. These indices should be released to the public on a monthly basis.

### **Procurator General Urges Investigating Crimes by Cadres**

OW2608095794 Beijing Central Television Program One Network in Mandarin 1411 GMT 25 Aug 94

[From the "Night News" program]

[Text] Zhang Siqing, procurator general of the Supreme People's Procuratorate, emphasized today that procuratorial organs at all levels must step up cooperation with the mass media in reporting investigations of a number of major and serious cases, which have a nationwide impact.

According to the latest figures released by the Supreme People's Procuratorate, in the first six months of this year, procuratorial organs nationwide accepted a total of 64,121 economic criminal cases, up more than 50 percent over the same period last year. Of these, 20,380 cases each involved more than 10,000 yuan; 879 cadres at and above the county and section levels were investigated and punished for their involvement in major cases.

Pledging to step up efforts to fight crimes, the Procurator General says: "From now on, procuratorial organs should continue investigations of criminal cases involving leading bodies and cadres as well as judicial and administrative law enforcement personnel bending the law to benefit relatives and friends, and criminal cases of legal persons."

### **Auto Chief Confirms Prison Parts Used in Sino-U.S. Venture**

HK2608100994 Hong Kong EASTERN EXPRESS in English 26 Aug 94 p 1

[By Bruce Gilley]

[Text] The head of Beijing's car industry, Ma Shouping, has confirmed that prisonmade parts are used by the group of companies which includes Beijing Jeep, a joint venture with the U.S. motor giant Chrysler. Insiders at the joint venture yesterday admitted that no checks of any kind have been carried out on suppliers for the all-terrain model which accounts for three-quarters of

Beijing Jeep's production. This is the latest evidence to link Chrysler and its corporate partners in Beijing to prison labour in China.

Chrysler, which on Tuesday described the allegations as "total and complete fabrications" yesterday appeared to back away from this position. "If it's proved that a supplier to Beijing Jeep is using prison labour supplies, that supply would be re-sourced," a spokesman said.

Beijing Jeep is a joint venture between Chrysler and Beijing Auto Works (BAW), a wholly-controlled arm of the Beijing Autoworks Industrial Corporation (BAIC). Ma, the BAIC president and the most senior car industry official in Beijing, said prison camps in the capital provided parts and accessories to enterprises in the group, which includes Beijing Jeep. "If it is appropriate then any enterprise can order products from the reform-through-labour camps," he said. "I can't say specifically where the products made by the camps go, but they are distributed inside the system (of BAIC)."

Ma said the joint venture between BAIC and Beijing's largest prison camp enterprise, New Face Vehicle Refit Factory, was a "cooperation agreement for the provision of parts and accessories." New Face, a maker of convict vans and patrol cars for the Ministry of Justice, is the largest labour camp enterprise in Beijing.

Ma said BAIC exercises influence over Beijing Jeep in four areas: Overall management, coordination of parts supply, provision of cadres and managers, and daily administration. He said BAIC arranged the provision of "many types" of parts and accessories to Beijing Jeep, including steering wheels, lights, filters, and window regulators.

Wu Zhongliang, the vicechairman of Beijing Jeep, who was the joint venture's first president when he was the president of BAIC, said yesterday: "The contract is with BAW but in fact the management is from BAIC." Wu revealed that the current vice-president of Beijing Jeep, Li Yuanzhu, was sent from BAIC. Wu said Beijing Jeep profits attributable to the Chinese side were shared between the city government and BAIC.

Earlier evidence pointed out the extensive corporate, managerial, and financial links between BAIC and Beijing Jeep. BAIC "is the overall director for the Chinese partner and helps Beijing Jeep import parts and obtain domestic supplies," according to a spokesman for the office of Wang Mei, the chairman of Beijing Jeep and deputy general manager of BAIC.

Chrysler maintained on Tuesday it had "no involvement" with BAIC. Tony Cervone, a spokesman in Detroit, yesterday qualified the statement. "We are talking about a sphere which is very far removed from Beijing Jeep at the operational level."

As the use of prison labour-made products by BAIC emerged, a senior Beijing Jeep source revealed that no checks of suppliers to the BJ2020 vehicle, which

accounts for three-quarters of the company's output, have ever been carried out. "It would never be a consideration of the Chrysler side to dig into the BJ2020 supplier lists," the source said. "It's a business that works by itself and is almost entirely managed by the Chinese side."

The BJ2020 sells for about a third of the price of the company's other main product, the Cherokee. Beijing Jeep said: "The management knows of no component suppliers who manufacture parts using prison labour."

Cervone said: "If we find BAIC does use prison labour then we will try to exert some influence to cause positive change. The worst you can do in this case is dissolve the joint venture but that is not called for in this case...Clearly this is not close enough (to Beijing Jeep) to compromise our ideals."

The Chrysler president, Robert Eaton, arrives in Beijing tomorrow as part of a high-powered U.S. trade delegation led by the Commerce Secretary, Ron Brown. "The issue has not been ignored in the days preceding the visit," Cervone said.

China's reform-through-labour camps began to link up with industrial enterprises in the early 1990's in response to bans by foreign countries on their products.

#### Editor Sees Depoliticization of Academic Journals

HK2608101394 Hong Kong SOUTH CHINA  
MORNING POST in English 26 Aug 94 p 8

[By Zhang Weiguo]

[Text] Political change in China is encouraging publication of more academic journals with foreign involvement, claims a mainland magazine editor.

Deng Zhenglai, chief editor of the Chinese Social Sciences Quarterly, said the influence of ideology had gradually weakened in China's modernisation drive and the trend to depoliticise issues was rapidly progressing.

"In a certain sense, this will be of tremendous convenience to the publication of academic journals because an academic work does not necessarily have to be antigovernment or antistatus quo," Mr Deng said. But he admitted the effect of ideology on academic publications would remain in the short term because of China's tradition of linking ideology to academics and publishing.

Beijing sources said the Quarterly was tolerated by the authorities because it steered clear of controversial issues like political reform. It is among the few non-official publications which have appeared in the past two years. They include Mr Deng's Hong Kong-based Quarterly, Guangzhou-based Xiandai Yu Chuantong (Modern and Tradition), and the Beijing-based Orient. The Quarterly is mainly financed by donations and through its sales in Hong Kong and overseas. The Xiandai Yu Chuan tong

which is published by the Guangzhou Publishin, House, is sponsored by Hong Kong tycoon Henry Fok.

Mr Deng said cooperation between academic journals and overseas academic research institutes and scholars had become more frequent in recent years. For example, the Chinese Studies Abroad Series, a series of 30 publications by the Jiangsu People's Publishing House, was one of the projects supported by overseas scholars, he said. "In the 1990s, some other series [of books] have ceased to appear in one form or another. But the publication of academic ones has never stopped," Mr Deng said.

#### **Pre-Job Training Classes Held for Newspaper Editors**

*HK2508124994 RENMIN RIBAO in Chinese 22 Aug 94 p 4*

[Dispatch: "Xu Weicheng Urges Newspapers To Expand Through Quality Improvement and Legal Operations"]

[Text] Beijing, 21 Aug (RENMIN RIBAO)—A hundred or so chief editors of some 20 newly inaugurated newspapers and journals from provinces, cities, and autonomous regions all over the country concluded their eight-day study and training session with a test and were given graduation certificates marking the successful completion. The session marked the official beginning of a training system for directors and chief editors in the book, journal, audio-visual publishing sectors before they assume their work duties.

In his address to the training class, Xu Weicheng, Central Propaganda Department deputy head, said: Why do we publish journals? Because we must pass on true and accurate information to society and serve the central mission of economic construction and the people. Publishing a journal is not an individual exercise, much less can it be viewed as a moneymaking business benefiting a few. Therefore, first, chief editors and section editors must have a strong sense of responsibility to the people and their readers and a firm grasp of direction. Second, they must be familiar with the rules and regulations dealing with the press and publishing management, observe discipline on propaganda, and run their newspapers and journals according to law. Third, they must be good at working out ideas, leading their men, and building up the character of their publications in the market; stick to their publication philosophy; refrain from employing illicit, if not illegal, methods; and they must grow and expand through quality improvement, legal operations, and market competition. The departments overseeing newspapers must strengthen legislation, discharge their administrative duties according to the law, beef up the contingents, and pursue the training for newspaper chief editors, section editors, and field reporters in a planned fashion.

Yu Youxian, director of the PRC Press and Publications Administration [PPA] said at the training class graduation ceremony that the training is an important step for

moving our press and publication work from quantitative expansion to qualitative and high-efficiency growth. He held that when the general policy is in place, whether or not a press or publication unit, or for that matter the entire press and publication sector, can provide a powerful spiritual momentum and intellectual support, climate of opinion, and sound ideological guarantee for reform, opening up, and economic construction as the party and the people expect, depends very much on the political and professional quality of chief and section editors. For this reason, pre-job training before assuming formal duties is an essential and important step.

As briefed, under this latest PPA regulation, newspapers whose chief editors and section editors have not gone through the training class, or failed to obtain the graduation certificate, are not allowed to open for official business. Concerned departments hold that the implementation of such a measure will ensure that newly inaugurated newspapers and journals start their business in a healthy and orderly manner.

During the training session, leaders of the Central Propaganda Department, the PPA, RENMIN RIBAO, and other concerned units held classes for the students.

#### **First Taiwan, Hong Kong Journalism Center Established**

*HK2608020094 Beijing ZHONGGUO XINWEN SHE in Chinese 1237 GMT 21 Aug 94*

[Text] Tongling, 21 Aug (ZHONGGUO XINWEN SHE)—The first Chinese mainland academic research institute devoted to study of journalism in Taiwan, Hong Kong, and Macao, and to news and communication between two shores and three sides was officially established here.

According to a seminar on "one country-two systems, and two-shore news reporting" which being held here, Wuhan University and ZHONGGUO XINWEN SHE jointly set a Taiwan, Hong Kong, Macao Journalism Research Center, run by the university's professors and assistant professors and the news agency's senior reporters and editors

Zhu Youjun, chairman of the research center's academy committee, said that the Chinese on the two shores and three sides are being confronted with a general trend of mutual observation, all-round contact, and exchange and intermingling. National unification is the trend of the day. News and communication on two shores and three sides has the important role of promoting communication; they need exchange and coordination. The center was established to give this trend a greater push on the theoretical plane.

The research center is planning to found a new discipline of "one country, two systems journalism" in line with the general trend that China is going to restore sovereignty over Hong Kong and Macao in 1997 and 1999. The discipline will prove a great development in Chinese journalistic study.

Hou Yong, the center's general adviser, pointed out that mainland academic circles have begun studying political, economic, cultural, and legal aspects of "one country, two systems," but have paid less attention and have been less aware of journalistic theories under the "one country, two systems." As the situation unfolds, speeding up study and building up the discipline of "one country, two systems journalism" is doubtless very important.

Wu Gaofu and Guo Weifeng are academy committee vice chairmen of the Taiwan, Hong Kong, and Macao Journalism Research Center.

Lu Rongjing, secretary of the Anhui Provincial CPC Committee, cabled his message of congratulations, pointing out that exploring journalistic practices under "one country, two systems" shows great foresight.

Anhui Vice Governor Yang Duoliang and Cai Musen, secretary of the Tongling City CPC Committee, attended the seminar and wished it success.

#### **International Seminar on Girls' Education Opens**

OW2408133594 Beijing XINHUA in English 1325  
GMT 24 Aug 94

[Text] Xining, August 24 (XINHUA)—An international seminar on girls education opened here today in the capital of northwestern China's Qinghai Province as a prelude to the 1995 international women's conference.

The international seminar on girls education—moving towards 1995 international women's conference will discuss the experiments of girls education in poor rural areas in northwest China.

Statistics shows that, in 1993, China had 180 million young illiterates and 2.61 million school age children who were unable to go to school. Among them, two thirds were female.

Girl dropouts are the highest in the northwestern part of the country, especially in poverty-stricken areas.

An experiment was launched in 1992 to help 2,000 school-age girls to receive basic education. It aimed at improving curricula, improving the learning environment and training teachers and parents.

The girls, of Han, Tibetan, Tu and Mongolian nationalities, live in 15 poor counties in the northwestern region. In two years, the number of girl students in 22 primary schools rose by 23.5 per cent, and the enrollment of girls increased from 57 per cent to 85.9 per cent.

In 1989 China earmarked a special fund to support girl dropouts to return to school and to offer primary education for girls in poverty-stricken areas.

In recent years more than 200 girls only classes have been set up in Guangdong, Guangxi, Sichuan and Hunan.

China will continue with its "Spring Bud Program", including the opening of 1,000 classes in two year to help 50,000 girls complete their primary education.

More than 80 scholars and experts from China, the United States, Vietnam and Taiwan, attended today's seminar, sponsored by the Women Research Center of Beijing University and local governmental departments.

#### **Coal Mines Trade in Worker 'Death Quotas'**

HK2508051794 Hong Kong SOUTH CHINA  
MORNING POST in English 25 Aug 94 p 1

[By Geoffrey Crothall in Beijing]

[Text] China's coal mines, hit by a dramatic increase in industrial accidents this year, have been trading in "death quotas".

The Coal Ministry sets quotas at each individual mine for the number of workers who can be killed during work-related accidents each year.

Should a particular mine exceed its quota, which is fixed according to the volume of coal the mine produces, it could face financial penalties from the ministry.

However, coal industry sources say that even if a mine does exceed its quota it can avoid financial penalties by buying unused quotas from other mines.

If, for example, a mine with a death quota of seven only has three deaths in a year it can sell the remaining four places to mines which have exceeded their quotas.

Sources said the ministry was well aware of the trade in death quotas but has so far done little to stamp the practice out.

Despite the big increase in mining accidents this year, the ministry is confident the death toll in its mines will not exceed its annual quota.

The ministry refused to say what this year's death quotas were but industry sources said quotas at large state-run mines could be between 10 and 20 people.

At smaller township mines, where most of the accidents have occurred this year, there are no set quotas.

As one industry source said: "They can kill as many people as they like."

A spokesman for, the ministry's safety bureau in Beijing said yesterday the rise in the number of accidents this year, particularly since July, had prompted the ministry to take urgent measures to rectify the situation and improve safety.

"We will be implementing specific measures to ensure the death quotas will not be exceeded this year," the spokesman said.

"Our ultimate objective is to reduce the quotas to zero," he added. However, the spokesman refused to say when the measures would be introduced.

Independent observers said that as long as the ministry's quotas remained in place it was unlikely there would be any significant improvement in mine safety.

"The quotas mean that the ministry accepts mining deaths as a fact of life," a Western industrial health and safety expert said.

"So as long as a mine can operate with a small number of deaths a year there will be no incentive to improve safety and people will continue to die," he said.

The coal ministry has instituted several safety campaigns in the past but after some initial success in reducing the death toll, the number of accidents has always gone up again.

There have been at least 71 coal mining deaths so far this year, with the most serious accident being at the Youyi coal mine in Guizhou province on July 30 when 31 people were killed in a gas explosion.

In the mining industry as a whole, nearly 600 people died in the first half of this year, 47 per cent more than in the same period last year, according to official statistics.

#### **Draft Commercial Banking, Advertising Laws Explained**

OW2508124094 Beijing XINHUA Domestic Service in Chinese 0833 GMT 24 Aug 94

[Text] Beijing, 24 Aug (XINHUA)—The State Council has submitted two draft laws—the draft law on commercial banks and the draft advertising law—to the ninth session of the Eighth National People's Congress [NPC] Standing Committee, which opened today [24 August], for deliberations.

Regarding the draft law on commercial banks, Premier Li Peng said in his motion that the law was drafted by the People's Bank of China on the basis of practical experiences, extensive investigation and study, and views expressed by people in various quarters to serve the purposes of tightening supervision of the banking business; protecting the legitimate rights and interests of banks, depositors, and other clients; making sure the banking business is operating properly; and expediting national economic development. He added that the draft law had been examined and adopted by a State Council executive meeting.

This morning, at the State Council's request, Zhou Zhengqing, People's Bank of China vice president, explained the draft law on commercial banks at the NPC Standing Committee session.

Zhou Zhengqing said: Since the Third Plenary Session of the 11th CPC Central Committee in 1978, specialized state banks have reopened or established one after

another to keep pace with the needs of socialist modernization. The development of other commercial banks has also been very fast. Banks have been playing an increasingly important role in the national economy, and an initial banking system—under which various types of banking institutions coexist and cooperate in sharing responsibilities with the central bank as the leader and specialized banks as the mainstay—has gradually taken shape. While the establishment and development of China's banking system have played a positive role in supporting China's economic reform and national economic development, the system is plagued by certain problems. Meanwhile, since China has yet to have a sound legal basis for supervising banking operations, banks can operate the way they want and their operations are not clearly visible. As such, banking operations can hardly proceed orderly according to law.

Zhou Zhengqing added: Since banks are business concerns trading currencies, which are a special commodity, their social responsibilities are enormous, and the outcome of their operations has a great impact on social and economic developments. This being the case, we must tighten supervision of banks according to law to protect the public interests and promote the development of the socialist market economy. Thus, formulating the law on commercial banks as quickly as possible is very essential.

Zhou Zhengqing also explained the guidelines for drafting the law on commercial banks as well as the main issues in the draft.

In his motion requesting the NPC session to deliberate on the draft advertising law, Premier Li Peng said: The State Administration for Industry and Commerce drafted the advertising law for the purpose of tightening advertising activities, protecting the legitimate rights and interests of advertising parties and the public, and facilitating the development of the advertising business. The draft was discussed and adopted by a State Council executive meeting.

At the State Council's request, Liu Minxue, director of the State Administration for Industry and Commerce, explained the draft at the NPC session this morning.

Liu Minxue said: China's advertising business has resumed and developed rapidly since the Third Plenary Session of the 11th CPC Central Committee. The volume of the advertising business is growing more than 40 percent annually. In 1993, the volume of the nation's advertising business was 13.4 billion yuan, and the number of people engaged in the advertising business reached 310,000. A fair-sized industry with relatively comprehensive services provided by all kinds of media, advertising has now become an industry serving society with a series of information. Its rapid development, however, is beset with certain problems. The most noticeable ones are: First, advertising has been used to promote sales of counterfeit and inferior products, disparage other competitors, support illegitimate competition, and cheat and misguide the consumers through

exaggerating the effects of products and services. Certain advertisements run counter to good social norms and are detrimental to public conduct. Second, because the obligations and responsibilities of advertisers, advertising agents, and advertising carriers are not clear and their behaviors are not regulated, there are many illegal advertisements and many advertisements have violated the law. These problems not only have tarnished the advertising industry's reputation and impeded its healthy development, but have also seriously upset the order of the socialist market economy and infringed upon the interests of the state and society.

Liu Minxue also explained the process of drafting the advertising law and some problems encountered during the process.

### **NPC Draft Law Augments Powers of State Auditors**

*HK2608083194 Beijing CHINA DAILY in English 26 Aug 94 p 1*

[By Ma Chenguang: "Lawmakers Render Auditors More Power"]

[Text] Senior Chinese lawmakers said yesterday that State auditors should be given more power to scrutinize businesses.

According to a draft auditing law, State auditors' main targets will be government departments and institutions as well as State-owned enterprises.

Legislators at the on-going session of the National People's Congress (NPC) Standing Committee, however, suggested that township enterprises also be included in the law.

The session opened on Wednesday, and lawmakers spent the whole day yesterday deliberating the two draft bills on auditing and arbitration.

"Checking the financial revenue and accounts of government organs and State businesses is necessary, but township enterprises are not a force to be neglected," lawmaker Xu Qin said.

In some places, the output of township enterprises accounts for more than half the local gross domestic product, but their revenue and expenditure are less clearly accounted for.

Local government organs often get money from these enterprises, but the sums are not checked by State auditing agencies, said Xu, a Standing Committee member.

Also, business accounts of tertiary industry set up by government organs and State enterprises often evade State auditors' checks, Xu added.

"I propose that State auditors cover these areas as well," he said at a group discussion.

Standing Committee member Dong Naifang said that it was imperative to give State auditors more power, to ensure smooth and effective auditing.

Auditing should be carried out objectively and fairly to supervise the running of the State, she said.

The provisions of the draft auditing law stipulates that no organization or individual can refuse or prevent auditors from checking their books.

"But we have not inked an explicit penalty measure for those who violated this stipulation," Dong said.

"So it is important for us to design detailed provisions to deal with such violations," she said.

Already in the draft law is one stipulation that auditors can check all kinds of government agencies and State owned enterprises, and can declare their books invalid.

In addition, legislators at yesterday's group meeting also discussed the draft arbitration law.

Lawmaker Li Senmao said it was necessary, to introduce an arbitration bill, which could help settle the increasing number of economic disputes in China.

### **Notice on Control of Licenses for Sending Workers Abroad**

*HK2408120594 Beijing GUOJI SHANGBAO in Chinese 21 Jul 94 p 2*

["Notice of Issuance of 'Interim Procedures for Control of Licenses for Sending Labor Service Personnel Abroad'"]

[Text] To all ministries; commissions under the State Council; provinces, autonomous regions, municipalities; and commissions (offices, bureaus) of economic and trade relations with individual listing in the plan:

We hereby print and deliver to you the "Interim Procedures for Control of Licenses for Sending Labor Service Personnel Abroad." Please relay it to related companies and implement it accordingly. 27 June 1994

### **Interim Procedures for Control of Licenses for Sending Labor Service Personnel Abroad**

#### **Chapter One—General Provisions**

**Article 1.** These procedures are formulated in accordance with "The Interim Procedures for Control of Labor Service in Cooperation With Foreign Countries," for the purpose of promoting the development of China's labor service in cooperation with foreign countries, and of strengthening macroscopic control over the sending of labor service personnel abroad.

**Article 2.** Licenses for sending labor service personnel abroad (hereafter shortened to "licenses") are certificates of qualification for enterprises having commitments to send labor service abroad. When an enterprise submits for examination and approval its application to

send labor service personnel abroad (beyond the border), all passports and exit visas, and the original copy of the license must be presented.

#### Chapter Two—Categories of Licenses

**Article 3.** Ordinary licenses are generally applicable to sending labor service to all countries and regions. Enterprises, having the right to send labor service abroad, approved by the Ministry of Foreign Trade and Economic Cooperation (hereafter shortened to MOFTEC), and which already have carried out industrial and commercial registration, may apply for licenses.

**Article 4.** Specially approved licenses are applicable for contracts on particular projects. In implementation, a certain project having MOFTEC approval may apply for such a license.

**Article 5.** With MOFTEC approval, provisional licenses are applicable to such enterprises sending labor service abroad, but which have not yet gone through industrial and commercial registration procedures; enterprises in this category may apply for such licenses.

**Article 6.** Based on the needs of operational development, MOFTEC may implement special project licenses for those enterprises sending labor service in some peculiar trade to certain particular countries or regions.

#### Chapter Three—Application, Renewal, and Period of Validity

**Article 7.** When applying for an ordinary license for the first time, an enterprise must fill out two copies of the "Application Form for Sending Labor Service Personnel Abroad" (hereafter shortened to "application form"), and must present a duplicate of the document bearing MOFTEC's mark of approval, as well as a duplicate of the enterprise legal person's operating license.

**Article 8.** When applying for a specially approved, provisional, or special project license, an enterprise must fill out two copies of the application form, and must present a duplicate of the related document bearing MOFTEC's mark of approval.

**Article 9.** To renew a license when its validity expires, the enterprise must submit two copies of the application form, and return the original license.

**Article 10.** The period of validity of ordinary, specially approved, and special project licenses is one year, and that of provisional licenses is three months.

**Article 11.** Licenses must be kept well. In case of its being lost, the enterprise concerned must promptly report to MOFTEC to have it registered and nullified, and must apply for a new one.

#### Chapter Four—Penalty Provisions

**Article 12.** If any unit involved in sending labor service abroad should violate the relevant regulations on sending labor service abroad, MOFTEC may deal with it

according to the case, its license may be suspended, and ultimately its right to operate in sending labor service abroad may be annulled.

#### Chapter Five—Supplementary Provisions

**Article 13.** Should these interim procedures run counter to related regulations promulgated in the past, these implementing procedures are to prevail.

**Article 14.** MOFTEC is to be responsible for the explanation of these procedures.

**Article 15.** These procedures are to go into effect on the day of promulgation.

### Science & Technology

#### Biggest World Bank Soil Conservation Project Gets Underway

OW2508134694 Beijing XINHUA in English 1249  
GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—A two-billion-yuan project to curb severe water and soil erosion in parts of the loess plateau has started in three Chinese provinces and one autonomous region, a water conservancy official said here today.

Cui Boxun, deputy director of the international cooperation department under the Ministry of Water Conservancy, said the project, with a World Bank loan of 150 million U.S. dollars, is not only the largest of its kind in China but also the biggest for the bank.

According to an agreement signed by China and the bank two months ago, the Chinese Government, local governments and farmers in the projected areas of 15,000 sq km will invest about 800 million yuan (91 million U.S. dollars) in the project.

The eight-year project includes parts of Inner Mongolia and the provinces of Shanxi, Shaanxi and Gansu, which have a population of nearly 1.3 million people living in need mainly caused by the century-long severe water and soil erosion.

Cui said that about 93 percent of the 15,000-sq-km area, which accounts for 2.3 percent of the loess plateau, suffers such severe water and soil erosion that about 5,000 to 26,000 tons of sand per square kilometer are washed away each year.

In comparison, 67 percent of the 640,000-sq-km loess plateau, which covers parts of seven provinces and autonomous regions, has this problem.

The century-long erosion, which has caused China's second largest river, the Yellow River, to contain so much sand that the water in its middle and lower reaches looks yellow, are responsible for the general infertility of the land on the whole loess plateau and the resultant poverty.

The project was designed to curb the erosion, improve the area's ecosystem and eliminate abject poverty, the official said.

To conserve water and soil and improve the ecosystem, terraced fields will be built and trees and grass will be planted on a large scale.

Cui said that each of the small river basins will be harnessed as a unit and used for the development of agriculture, forestry, animal husbandry and fruit.

The plateau, which is rich in light, heat and land resources, is suitable for quality farm produce production, in such crops as grain and fruit.

The per capita share of land is 1.3 ha, about ten-fold above the national average.

According to plans, factories will be set up in the projected areas to process locally-produced farm produce, thus increasing local farmers' income.

As part of the project, basic facilities for transportation, water and power supply will be built in the areas to improve farmers' living and production conditions.

It is planned that after completion, the erosion of sand will be cut by about 40 million tons each year in the projected areas, about one-third of the total sand lost to rivers.

Cui said that the per capita share of grain will be increased to at least 500 kg from the present 378 kg, and the per capita annual income will be raised to 830 yuan from the present 307 yuan.

"The success of the project will not only promote harnessing of the whole plateau, but also accumulate experience for China's environmental protection and similar projects of the World Bank," the official said.

#### **State S&T Body To Raise Money Abroad for Torch Funds**

HK2508131094 Beijing ZHONGGUO XINWEN SHE in English 1217 GMT 25 Aug 94

[Text] Guangzhou, August 25 (CNS)—To enable high technology a principal part of China's national economic development in the 21st century, the State Science and Technology Commission is now quickening its preparation for overseas funds-raising for China's Torch High-technology Industrial Development and Investment Funds. It is expected the Funds will be in place by September this year.

The Funds is to be jointly raised by the Commission and overseas financial institutions. US\$150 million to 200 million is expected to be raised for developing high-tech enterprises of the Torch Project devised by the Commission. Those enterprises are mainly engaged in biopharmacy, computer, electronic information, environmental protection facilities and exploration of new materials.

It is said the Funds will generally inject US\$5 million into each enterprise. The Funds, in quickly in place, will enable enterprises to form production scale easily and thus speed up the industrialization of high technology.

It is estimated that by the end of the century, sales income from high-technology industry will amount to 20 percent of the gross national product, in which the Torch Project will account for a half (over RMB [Renminbi] 500 billion). The export of high-tech products will also amount to 20 percent of the total industrial exports. Furthermore, those high-tech enterprises will have an annual productivity of RMB 200,000 per person, and over 700 enterprises will have an income more than RMB 100 million. Therefore the establishment of the Funds will have positive effect in promoting high-technology development.

#### **Economic & Agricultural**

##### **Li Lanqing Urges Textile Industry To Limit Production**

OW2508143894 Beijing XINHUA in English 1409 GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—Chinese Vice-Premier Li Lanqing said today China's textile industry should limit production, reduce the number of spindles, readjust its product mix and upgrade technology.

Addressing a national conference on the textile industry now in session here, Li said that problems that have cropped up in the textile industry in recent years include low technological standards, an irrational technological structure, heavy financial burdens, rising production costs and declining economic returns.

The leader attributed the problems primarily to outdated equipment and inefficient managerial approaches in a number of mills.

Speaking of the readjustment, reforms and development in the whole textile industry, he said that it is necessary to rectify the order of cotton circulation, improve management and speed up the structural readjustment of the textile industry.

He also asked commercial banks to extend more loans to textile mills.

"Textile mills must arrange production according to market demand and do their utmost to market their products," he told the conference.

Mills throughout the country must discard a total of 10 million cotton spindles in a move to speed up technological upgrading, he said.

The vice-premier described the move as a "major measure" to readjust the textile industrial structure.

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"Meanwhile, textile mills should continue to bring in foreign investment and expand cooperation with overseas firms in setting up joint ventures," he said.

It is imperative to include all kinds of textile enterprises—whether they are state-owned, collectively-owned or privately-owned—in the management of the textile industry as a whole, he noted.

He called for efforts to assist a number of efficient and export-oriented major mills to spur the growth of the industry as a whole.

The State Council, China's highest governing body, has declared the textile industry a priority industry in the country's experiments with the bankruptcy process in the second half of 1994.

The decision is intended to help improve the textile industrial structure and limit textile production, he said.

#### **Metallurgy Minister Urges Reducing Overproduction**

OW2508144594 Beijing XINHUA Domestic Service in Chinese 0745 GMT 25 Aug 94

[By reporter Sun Jie (1327 2638)]

[Text] Beijing, 25 Aug (XINHUA)—On 25 August, in an interview with reporters, Metallurgical Industry Minister Liu Qi urged the industry to overcome the temporary difficulties in iron and steel production and make a determined effort to slash the output of oversupplied products.

He said: Since the beginning of this year, iron and steel production nationwide has maintained a healthy growth momentum, with the output of major products rising steadily and the product mix becoming more and more rational. However, the excessive import of rolled steel over the past two years has seriously affected the domestic rolled steel market, resulting in sluggish sales of some metallurgical products, increased overstocked goods, and chain debts among enterprises. These results have undermined the normal production and operation of metallurgical enterprises and have affected related industries.

The minister said: Under such circumstances, metallurgical enterprises should readjust their production structure in light of market demands by cutting back the output of oversupplied goods. They should turn out, as many as possible, rolled steel products that are salable and paid for with cash, and should stop the production of overstocked goods. Metallurgical enterprises should do everything they can to organize production and to increase sales according to market situations and the actual condition of each enterprise. In addition, they should make relentless efforts to lower costs, raise efficiency, deepen reform, and improve management.

He said: In view of the current market of oversupplied goods, cutting back the production of products in excessive supply will be an effective measure for readjusting structure. All metallurgical enterprises should achieve unity in thinking and action based on the spirit of the joint circular recently issued by the State Economic and Trade Commission and the Metallurgical Industry Ministry by taking effective measures to slash the output of oversupplied products such as medium- and small-sized rolled steel and medium-thick steel plates and to keep products in stock at a reasonable level. They should, in line with the principle of "reducing the output of oversupplied products, restricting the ordinary, stopping the unsalable, and increasing the salable," pay keen attention to management, promote production, and invigorate operation. Meanwhile, they should give play to their strengths and actively develop products in short supply. The minister also urged all enterprises to emulate the experiences of the Baoshan, Fushun, and Anshan Iron and Steel Companies in improving enterprise management and marketing work, activating capital, and reducing debts.

#### **Number of Enterprises Approved in First Half Rises**

OW2608020894 Beijing XINHUA in English 0123 GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—China had approved the registration of over 7.688 million enterprises in the first half of this year, an increase of or 5.48 percent over that of last year.

According to Tuesday's [23 August] MARKET NEWS, employees in such enterprises rose by 4.9 percent and the registered capital climbed by 15.04 percent over last year.

Among the newly added enterprises, the paper says, jointly-run enterprises have witnessed faster growth although state-owned enterprises still play a key role in China's economy.

By the end of June this year, the paper says, China had a total of 2.115 million state-owned enterprises, accounting for nearly 49 percent of the total registered capital. Collectively-owned enterprises reached 5.32 million, a rise of 3.28 percent over the same period last year.

In the first six months of the year, the number of enterprises in retail sales and catering jumped by a large margin to 4.189 million, which made up 60.64 percent of the new increases.

By the end of June, China had registered a total of 1.277 million companies, a rise of 22.92 percent. These companies, the paper says, mainly specialize in retail sales, materials supply and storage.

#### **Ad Agency To Auction Product Concept in Beijing**

OW2608020794 Beijing XINHUA in English 0102 GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—A Chinese advertising firm will auction off some of its creative output

here in September, the first auction of this kind to be held in China, according to MARKET NEWS.

To be auctioned is the Guangzhou-based company's ideas on selling a product they have named "Pain-Brand Beer".

Included in the concept is the brand-name, trademark, package design, taste characteristics, and a set of marketing strategies for a host of products based on the conception.

The buyer will take ownership of the concept and can develop products based on it.

Official sources said that the State Trademark Bureau has formally accepted the application for the trademark.

The Guangzhou Jiuding Advertising Company chief said that a commodity with a unique name will have deep impression on consumers.

### **Cooperative Lawyers' Offices Booming in Shenzhen**

*OW2608034194 Beijing XINHUA in English 0257 GMT 26 Aug 94*

[Text] Shenzhen, August 26 (XINHUA)—The number of law firms in this south China special economic zone is rapidly increasing.

Since the beginning of this year, 50 cooperative law firms have been set up in economically booming Shenzhen. They have saved companies from losing a total of nearly 300 million yuan (about 34.9 million U.S. dollars).

Before the end of last year, there were only 16 law firms here with 190 lawyers attached to government organs except for one office.

With the appearance of the 50 firms, the city's total number of lawyers now comes to 320.

The business that these firms deal with includes the transformation of the share-holding system, stock listing on the market, investment overseas, registration for new companies, transfer of property rights, patents protection, as well as marital disputes.

### **Ministries, CYL Promote Blue Collar Technical Training**

*HK2608080394 Beijing CHINA DAILY in English 26 Aug 94 p 1*

[By Xu Yang: "Training Programme Popularizes Technology"]

[Text] The government and the Communist Youth League Central Committee are launching a campaign to teach factory workers hi-tech skills.

The Ministry of Labour together with the Ministry of Internal Trade and the Youth League [CYL] plans to

make September a special "Technique Month." Training will be given to blue collar workers to improve their skills.

"In this month we will urge the youth to admire and learn advanced techniques," said Yuan Chunqing, a secretariat member of the youth league.

"And people should also realize that skilled workers are talents for the nation," he said.

The three sponsors have asked nearly 1,000 State enterprises throughout the country, except Tibet, to attend activities and the shortterm training classes for young employees.

But most training will be given on the job.

The country's vocational training schools, usually run by enterprises, often ask workers to take off all day or half day for classes.

And the courses offered are too obsolete and simple to meet the demands of modern assembly lines and high-tech machinery.

So the Youth League's grass-root branches are to help 100,000 young workers learn how to use machines and make high-quality products in the workshops.

Young workers are also to set up "mutual help" groups among themselves to exchange what they have learnt.

The young labour force in general do not have enough technical skills to do a good job.

Among the 80 million young workers under the age of 35, 70 percent are not skilled enough, said Youth League sources.

More than 90 percent of new factory workers receive no training before starting work.

Vocational schools can only recruit 2 million students a year, only 1.5 percent of the total labour force.

During the "Technique Month," some provinces will display hi-tech skills to young workers and stage technique contests.

The Youth League is also set to launch a nationwide campaign to popularize advanced technology this month. Many of the skills are those created by young workers in the textile, coal mining and metallurgy industries.

The three sponsors have decided that "Technique Month" should become an annual event.

"We have to realize that without high-quality workers, there is no economic growth," Yuan said.

He said he does not expect the "Technique Month" to miraculously improve the country's poorly educated labour force.

"But at least we can do something and we have started. It is always my belief that if each person can do one thing for the country, the whole nation will accomplish huge tasks," he said.

### Sep Declared 'Technique Month' To Train Skilled Workers

OW2608035794 Beijing XINHUA in English 0326  
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—The government and the Communist Youth League are launching a campaign to teach factory workers high-tech skills.

The Ministry of Labor, the Ministry of Internal Trade and the youth league have decided to make September a special "technique month" to publicize the campaign.

The three sponsors have asked nearly 1,000 state-owned enterprises from across the country to take part in the campaign, which will give on-job training courses to the young workers.

Although many Chinese enterprises have been offering training courses to its new employees, a source from the youth league says the courses are too simple for modern assembly lines and hi-tech industries.

Among the 80 million young workers under the age of 35, 70 percent are not skilled enough. More than 90 percent of new factory workers receive no training before starting work, the source said.

To give the effort more impact, the three sponsors have decided that "technique month" shall become an annual event.

"We have to realize that, without high quality workers, there will be no economic growth," the source said.

### Commentator on Activities To Improve Economic Efficiency

HK2608082294 Beijing RENMIN RIBAO in Chinese  
20 Aug 94 p 1

[Commentator's article: "Both Relatively High Speed and Relatively High Efficiency Are Needed—Energetically Promote Activities of 'Journey in Depth and Breadth for China's Economic Efficiency'"]

[Text] Recently, General Secretary Jiang Zemin and Premier Li Peng separately wrote inscriptions for the large-scale series of investigation, study, and publicity activities "Journey in Depth and Breadth for China's Economic Efficiency": "It is necessary to find a way to develop the national economy with a relatively high speed and a relatively high efficiency." "Efficiency should be put in the first place in economic work." These inscriptions have given expression to Comrade Deng Xiaoping's important guiding idea concerning economic development, stressed the central position of improving economic efficiency in economic development, clearly

indicated the direction for carrying out the "Journey in Depth and Breadth for China's Economic Efficiency" activities more extensively and at a deeper level.

To find a way to develop the national economy with a relatively high speed and a relatively high efficiency, taking the improvement in economic efficiency as the prerequisite, is the fundamental approach to accelerating the pace of socialist modernization. Comrade Deng Xiaoping once put forward that in the course of modernization in the future, it was necessary to have several periods in which the speed of development was relatively rapid and the efficiency was relatively high. He repeatedly stressed that our pace of development must "not be exaggerated" and must be a "solid" one, and that "it should be reflected in the gradual improvement of the people's living standards." Such a development pace can take only a relatively high economic efficiency as the prerequisite and foundation. Therefore, to acquire a high speed, we first must acquire high efficiency. Paying attention to the dialectic unity between speed and efficiency in economic development is the fundamental goal of the large-scale series of investigation, study, and publicity activities "Journey in Depth and Breadth for China's Economic Efficiency," and is also an important task to which all economic workers should pay great attention.

Undoubtedly, there is a certain degree of difficulty at present in improving efficiency and accelerating development. Our reform is in a stage of comprehensively tackling difficult problems, and the traditional planned economy structure is gradually being replaced by the socialist market economy structure. The traditional "extensive-type" development mode is gradually being replaced by the "efficiency-type." Many shortcomings of the old remain to be remedied, and some contradictions of the new have emerged in the course of development. We have to depend on deepening reform to promote development, but deepening reform will change the relationship of interests in various aspects, and requires economic guarantees to be provided by improving efficiency. Let us take the improvement of enterprises' external environment, as well as their internal improvement and tapping potential as an example. Necessary external environment is an important condition for tapping internal potential. However, only if the enterprises in China can acquire a high economic efficiency in an extensive scope will it be possible to provide a foundation and guarantee for improving the external environment. Again, on the one hand, the problem of the shortage of funds does indeed exist to a certain extent, but on the other hand, certain input does not have effective output. The entanglement of problems in these two aspects often leads to the formation of a certain kind of "strange circle." All these problems should be dealt with seriously and solved. As long as we give full play to our subjective initiative, and make efforts to implement the decision of the Third Plenary Session of the 14th CPC Central Committee, deepen enterprise reform, and make internal improvements, we certainly will be able to

overcome our difficulties and find a way that unifies high speed with high efficiency.

Improving efficiency and accelerating pace must take reform as the propelling force and stability as the condition. However, economic development brought about by efficiency will create an ample environment for reform, and will ensure the deepening of reform. It also will provide a firm foundation for improving the people's living standards and fundamentally ensuring the stability of society. Thus it can be seen that improving economic efficiency not only has great economic significance, but also has great political significance.

The activities of the "Journey in Depth and Breadth for China's Economic Efficiency" are activities of extensive and far-reaching significance in the economic life in our country following the "10,000-Li Journey for China's Production Quality." They are conducive to promoting in-depth enterprise reform to a higher level. The "10,000-Li Journey for China's Production Quality" demands the "Journey in Depth and Breadth for China's Economic Efficiency," whereas the latter will promote the former. The issue of economic efficiency is closely related not only to each enterprise, but also to the interests of the broad masses of people. In the course of conducting the "Journey in Depth and Breadth for China's Economic Efficiency," a loud and clear slogan has been put forward: "Efficiency involves thousands upon thousands of households, including you and me." This slogan vividly reveals the relationship between economic efficiency, and thousands upon thousands of households and people. As these activities are carried out more extensively and in greater depth, they inevitably will win the concern, understanding, support, and participation of more and more enterprises and people of various social circles, and they will become more solid, thorough, and fruitful.

#### **Treasury Bond Issue Reaches Record Value in 1994**

*OW2608081294 Beijing XINHUA in English 0741 GMT 26 Aug 94*

[Text] Beijing, August 26 (XINHUA)—China has issued a record 102.898 billion yuan worth of treasury bonds in 1994 with the development of the country's bonds market, "GUANGMING DAILY" reported today.

This year, new bond reforms have resulted in better circulation of treasury bonds on markets, and buyers can now retrieve cash, the paper quoted Gao Jian, director of the Treasury Bond Department of the Ministry of Finance, as saying.

There are more types of bonds this year with different face-values and terms. Two-year bonds can be traded two months after issue, and three-year bond holders will be able to regain their cash at the original place of issue at any time, and the interest rate of the bond is higher than that for savings deposits of the same term.

In terms of issuing methods, counter selling across the country's urban and rural areas has replaced traditional apportioning, with specialized banks in overall charge of bond issuing.

All these measures have aroused people's enthusiasm for buying state bonds.

Meanwhile, China's bond business is enjoying robust growth. In March, the transaction volume of bonds outstripped that of stocks at the Shanghai securities market.

The large-scale issuing of treasury bonds requires a bond market, Gao Jian said. A bond market is also a key component of the securities market and its fluctuations will lead to changes in interest rates on other markets.

On the other hand, when short-term treasury bonds are linked up with the monetary market, and long-term bonds are linked up with the capital market, the growth of the bond market will surely motivate the development of the entire finance industry, he said.

In this way, treasury bonds will become a kind of investment and serve as a means for the country's financial and credit macro control.

According to He Dexu, deputy director of the Finance Research Center of the Chinese Academy of Social Sciences (CASS), the bond market is playing a leading role in developed countries. Last year, transactions of treasury bonds accounted for more than 70 percent of trade on the world's securities markets.

The leading role comes from its two major functions of funds pooling and financial regulation, the deputy director said. Treasury bonds are also the best choice to enable a government to make up for its fiscal deficit.

As to the prospects of China's bond market, Li Yang, director of the Finance Center of CASS, said that there should be more bonds issued with shorter terms, and more bonds will be traded on securities markets.

At the same time, the interest rates of the bonds can be more flexible, Li said.

#### **Shenzhen Stock Market Reduces Fees for B-Shares**

*HK2608102694 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 26 Aug 94 p 7*

[By Foo Choy Peng and Bloomberg]

[Text] The Shenzhen stock market has cut fees for transactions of B shares by a quarter to boost the foreigners only market but brokers are sceptical about its impact. The China Securities newspaper said the lower levy, equivalent to 0.55 percent of the value of the share transaction, would come into effect on September 12.

The minimum transaction fee in Shenzhen will be HK\$120 and the maximum \$625. The move is aimed at sustaining investor interest in the market, recently revived by new measures, which included the promise of allowing domestic investors to buy B shares.

First indications of a cut were made about two weeks ago when the Shenzhen authorities attempted to rev up the market with a package of measures amidst the bullish sentiment. The measures included stringent controls on rights issues and permission for share buy backs when prices fall below their net asset values.

The Shanghai and Shenzhen stock markets reserve so-called B shares, denominated in hard currency, for foreign investors, while domestic investors can trade in A shares. But Chinese investors with hard currencies have been investing heavily in the B shares, accounting for at least 10 percent of the transactions.

Brokers cast doubt that the move would achieve its goal, because the B-share market is hit more by bad fundamentals than mere technical factors. "I don't think the cut will be effective as the current state of the market has more to do with fundamentals than technicalities," said the head of a British broking firm in Shanghai. He said an earlier move by Shanghai to cut its transaction fee for A shares, reserved for mainlanders, failed to lift the market.

"The move will benefit the big investors but whether it will translate into more buying orders is questionable," said Kuo Tong-hui, Nikko Securities' general manager (capital markets division). Brokers said the Shenzhen stock exchange continued to be plagued by a long list of problems, the main one being the narrow mix of its listed stocks.

Mirroring the structure of Hong Kong, the Shenzhen stock market is dominated by companies whose core business is largely property based and is low in liquidity. Brokers will be able to keep 78 percent of the levied fee, handing over the rest to the stock exchange for distribution to various stock market regulators, departments and banks. Without the approval of the authorities, no other organisations will be allowed to levy fees.

The paper quoted brokers as saying they welcomed the lower fee as "relatively reasonable", adding that it would help the market for B shares.

#### **Trade Official Calls on Exporters To Raise Quality**

HK2608075694 Beijing CHINA DAILY in English 26 Aug 94 p 2

[By Wu Yunhe: "Exporters Urged to Raise Quality"]

[Text] China's top trade inspector yesterday urged domestic enterprises to improve the quality of their products in line with the needs of the International Organization of Standards 9000 (ISO9000).

"The country's re-entry into GATT (General Agreement on Tariffs and Trade) requires export-oriented enterprises to upgrade their management and products according to the ISO9000 standard," said Tian Runzhi, Director of the State Administration for Inspection of Import and Export Commodities (CCIB).

Addressing the opening ceremony of the '94 Symposium on ISO9000 and Transnational Operations, he said that the implementation of this world standard in Chinese firms was vital for the stable development of the country's foreign trade.

It is hoped that China's foreign trade will exceed \$200 billion this year, \$4.2 billion more than last year, Tian said. And exports are expected to surpass \$100 billion this year.

The four-day symposium, the first of its kind in China, gives overseas transnational companies and ISO9000 experts the chance to share their experience on international management standards and product quality with domestic firms.

Foreign participants have come from the United States, Britain, Germany, Netherlands, Canada, Japan and Malaysia.

The event is sponsored by the CCIB, the Ministry of Foreign Trade and Economic Cooperation (Moftec) and the China Council for the ISO9000 Quality System of Export Manufacturers (CCQSEM).

International quality standards involving the ISO9000 have been implemented by many of the world's countries and regions.

The rapid development of world trade, increased competition and demands for higher quality among consumers have increased the need for an official quality standard.

Manufacturers whose quality systems meet the ISO9000 standards are worthy of entering the world arena.

Most of China's export manufacturers are keen to pass the ISO9000 in order to cope with the demands of the world market.

However, China has only started implementing the standard recently, and many of Chinese export manufacturers don't fully understand the requirements of the ISO9000.

More training and consulting activities are necessary to help Chinese firms understand the ISO9000 and the benefits that they can reap by obtaining quality certificates, said Tian.

Twenty Chinese appraisal organizations have so far been registered in China by the CCIB.

And 40 Chinese export manufacturers have received ISO9000 certificates.

Experts with CCIB's Quality Certificate Centres and those Chinese enterprises that have been granted the certificates are due to talk about their experience in implementing the ISO9000 standard.

Two years of work have started to pay off for CCQSEM. Its members now come from 16 government administrative departments.

#### **Foreign-Funded Firms Export More Mechanical Products**

*OW2608023394 Beijing XINHUA in English 0152 GMT 26 Aug 94*

[Text] Beijing, August 26 (XINHUA)—Foreign-funded firms have become major exporters of mechanical and electronic products in China, according to the INTERNATIONAL BUSINESS.

The paper said that exports of these products from such firms amounted to 4.92 billion U.S. dollars in the first half of 1994, up nearly 58 percent over the same period in 1993.

Such exports are expected to reach 12 billion dollars for the whole of 1994.

Such exports have grown at an annual average rate of 61 percent since 1987, the paper said.

In 1991, China had only seven types of mechanical and electronic products each with an annual export of 100 million dollars.

These included tape recorders, color TV sets, wrist watches, bicycles, blank audio tapes, computer accessories and containers.

There were 20 types of such products in 1993, including tape recorders, watches and clocks, data processors and parts, computer accessories, TV sets, telecommunications equipment and parts, bicycles and accessories, cameras and accessories, telephone sets, lighting equipment, containers, calculators and blank tapes.

Foreign-funded companies now account for at least half of China's exports of data processing equipment, computer accessories, containers, color TV sets, telephone sets, tape recorders and stereo equipment, bicycles and calculators, the paper said.

Overall, such companies accounted for nearly 37 percent of the country's exports of mechanical and electronic products in 1993, up from 12.4 percent in 1987, it added.

In 1991, China had just 68 foreign-funded companies with an annual export topping five million dollars.

But the number of such companies soared to 144 in 1993, the paper said, adding that five of them each exported at least 100 million dollars worth of such products.

Foreign-funded firms with an annual export exceeding five million dollars are concentrated in coastal areas, including Shanghai and Tianjin, and Guangdong, Fujian, Zhejiang and Jiangsu Provinces.

#### **Aviation Industry Urged To Tap Tourism Market**

*OW2508133694 Beijing XINHUA in English 1254 GMT 25 Aug 94*

[Text] Beijing, August 25 (XINHUA)—A meeting held early this month in Guangzhou, south China, urged that the 30 travel agencies and companies involved in China's aviation industry form a national network of aviation tourism to tap huge domestic and overseas market.

The agencies and companies with about 1,000 staff members have operated with loose connections with each other since the aviation industry was allowed to set up its own travel organizations two years ago.

However, they received more than 170,000 Chinese and foreign tourists in the first half of this year, with a business volume of 80 million yuan and a profit of 14 million yuan.

The China International Air Travel Agency will exert efforts to sell its programs in Japan, the Republic of Korea, Britain, the United States and other countries.

#### **Sources Say High-Tech Development Zones Growing**

*OW2508123894 Beijing XINHUA in English 1204 GMT 25 Aug 94*

[Text] Beijing, August 25 (XINHUA)—China's high-tech industries have been developing steadily, official sources said.

According to initial statistics provided by the State Science and Technology Commission, China's 52 national high-tech development zones now have more than 20,000 enterprises employing some 700,000 workers.

The zones earned more than 50 billion yuan from commerce and trade last year. The figure broke down into 40 billion yuan in industrial output value, 5 billion yuan in taxes and profits and more than 700 million U.S. dollars in foreign exchange.

All the figures were twice the amount in 1992.

The Beijing high-tech development zone, one of the earliest in China, earned more than 10 billion yuan in profits in the past five years.

Officials in charge of the zones said that sound infrastructures and service systems have taken shape in the country's high-tech zones, thanks to state preferential policies and a burgeoning market.

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Almost all the high-tech zones now enjoy brisk product markets, high economic efficiency and a legion of well-trained professionals.

Statistics show 80 enterprises in the high-tech zones nationwide now generate more than 100 million yuan each in annual output value.

Enterprises registered in high-tech zones in Daqing, Zhengzhou, Xian and Suzhou last year have to date invested more than 10 million yuan each.

Foreign investment in the zones has been increasing steadily, the officials said. More than 10 big-name foreign firms have come to invest in the Beijing high-tech zone alone.

#### **Technology Speeds Up Afforestation in North**

*OW2508133494 Beijing XINHUA in English 1254  
GMT 25 Aug 94*

[Text] Yinchuan, August 25 (XINHUA)—Research achievements have proved to be a big boost to the afforestation campaign in China's Green Great Wall project that spans across northeast, northwest and north China.

Official sources said that since the project was launched 15 years ago, more than 100 research achievements have been applied to the afforestation on an area of 2.57 million ha.

The research results have ensured high survival of trees, environmental experts said.

Due to adverse natural conditions, such as ecological deterioration, aridity, windstorms and soil erosion, it has long been a headache for both the local governments and people to plant and preserve trees in the area.

Statistics show that practical technologies have been introduced in 22.5 percent of the areas suitable for afforestation, helping raise the survival rate from 54 percent to 85 percent.

To promote the application of practical research results in afforestation, local governments have promulgated a set of preferential policies.

They have also mobilized local researchers to become directly involved in the afforestation campaign.

Officials said that scientists in the "three-north" area have largely succeeded in planting trees in arid areas, enabling China to rank among the most advanced in the world in this regard.

The China Institute of Forestry, joined by several other scientific bodies, has put forward five technologies enabling the planting of trees in special soils formerly thought improper for trees, such as in gneiss-type soil.

So far the technologies have been applied to an area of 200,000 ha, and they are expected to reduce soil-loss by some 73 percent in three to five years after trees are planted.

Experts surmise that the "three-north" area now leads the world in aerial seeding, which has been promoted to as far as areas with a yearly rainfall of less than 100 mm as in Qiqihar, in northeast China's Heilongjiang Province.

Statistics show that aerial seeding has turned 40,000 sq km of deserts into a greenbelt.

#### **Overseas Expertise Helps Boost Country's Agriculture**

*OW2508144894 Beijing XINHUA in English 1421  
GMT 25 Aug 94*

[Text] Beijing, August 25 (XINHUA)—Over the past decade, China has invited over 10,000 agricultural foreign experts and has introduced a number of advanced foreign agri-technologies, which has brought in more than 30 billion yuan in economic returns in 16 provinces.

According to a national conference on foreign experts being held here today, the experts, who are from such countries as the United States, Japan and Canada have improved China's agriculture technology level and promoted agriculture production.

Meanwhile, China has put to use excellent methods for planting, cultivation, and pesticide control. Some of them have reaped fruitful results after large scale extension.

To sum up such efforts, Ma Junru, head of the State Bureau of Foreign Experts Affairs, said China's introduction of applicable cultivating technology has greatly boosted grain production.

Last year alone, he said, a cultivating technology introduced by a Japanese expert has increased 2.73 billion kg of rice by extension in 2.2 million hectares of land in 22 provinces. Remarkable achievements have also been scored in wheat, soybean and flue-cured tobacco production, he said.

The introduction of fine breeds, he said, has also improved the quality of China-made farm products such as cotton, wheat, corn and apples. An apple cultivated from imported breeds in yantai city, in east China's Shandong Province, has become China's major apple product and sells well on the world market.

The introduction of foreign expertise, Ma said, has enriched the shopping baskets for Chinese people. Over the past decade, local governments have trained a large number of Chinese experts abroad by inviting foreign experts home and sending Chinese abroad. The step has

introduced advanced foreign technology and management expertise which resulted in noticeable results in farm production.

### Transport Industry Enriches Farmers in Inner Mongolia

OW2608034094 Beijing XINHUA in English 0306  
GMT 26 Aug 94

[Text] Hohhot, August 26 (XINHUA)—With tires hanging high over the door, clusters of red-painted plates indicating gas stations and automobile parts shops standing shoulder to shoulder, Lamawan town, once an ancient ferry site on the Yellow river, is witnessing an economic boom brought about by the transportation industry.

"Jiefang", "Dongfeng", "Kamas" and other Chinese and foreign-made trucks are seen laden down with coal, construction stones and passengers passing through the small town day and night, bringing wealth to local people.

"My company makes about one million yuan a year," said Qiao Shangen, who started his own "Yellow River Motor Transport Company" in 1985 and owns 12 trucks. "We transport construction materials in the summer and autumn, but in winter, we transport coal in the Junggar coal mine on the opposite bank of the Yellow river."

Unlike his father and grandfather, who worked drawing boats along the Yellow river, Qiao, who lives in Lamawan town in Qingshuihe County in northern China's Inner Mongolian Autonomous Region, gave up his job as a carpenter and started his own company.

The small town on the yellow river is where several highways connect. These highways lead to neighboring Shanxi Province, Hohhot, capital of the Inner Mongolia Autonomous Region, and the Junggar coal mine via a large bridge over the Yellow river.

Local officials said that there were at least three to four people like Qiao who make over one million yuan a year by engaging in transport service. The number of those who make over 500,000 yuan has topped 100.

The small town, with a total population reaching 15,000, has over 500 trucks and other automobiles. The number of four-wheeled tractors approaches 200. Officials said that annual income from transportation has reached 78 million yuan.

In addition, officials said that the booming of transport services has brought great development to other sectors including catering service, tourism, construction, porcelain and fruit processing. Many of those products have been exported to Japan, South Korea and the Netherlands.

The offspring of the former boat-drawers no longer select their fathers' jobs. Many have entered local enterprises,

others have started to do trade. The town also employed hundreds of laborers from Sichuan and other provinces.

"Our economy started to take off because of the transport industry," said Hao Yongsheng, head of the town. "But rural enterprises have made us prosperous."

Compared with a decade ago when local farmers' per capita income was less than 50 yuan, there are over a thousand families whose annual incomes have topped 10,000 yuan.

### Commentator on Agricultural Means of Production Market

HK2608072094 Beijing RENMIN RIBAO in Chinese  
23 Aug 94 p 1

[Commentator's article: "Be Bold and Self-Confident in Administering Well the Market of Agricultural Means of Production"]

[Text] The State Council has decided to reform the circulation structure of chemical fertilizers and other agricultural means of production. This is a major measure to promote the steady development of agriculture. It is also an important component part of the economic restructuring to be introduced this year. This reform will play a positive role in arousing the enthusiasm of peasants, aiding agricultural production, supporting agroindustry, and enriching the market.

Since the beginning of this year, the prices of chemical fertilizers have gone up sharply, and have even gotten out of control in some localities. This has seriously damaged the peasants' interests. Aside from the acute imbalance between the supply of and demand for chemical fertilizers, as well as their rising prices, a more important reason for this state of affairs is that localities have relaxed controls over the sources, markets, and prices of chemical fertilizers, and that some enterprises producing and dealing in chemical fertilizers have vied with one another to raise prices in violation of state regulations, thus bringing about soaring prices. For this reason, speedily reforming the circulation structure for agricultural means of production, and changing the situation characterized by chaotic transaction channels, multilinks, a disorderly market, and skyrocketing chemical fertilizer prices, has become an urgent and important task for protecting peasants' interests and stabilizing agricultural production. Without this reform, it will be difficult to implement the series of important measures taken by the party Central Committee and State Council to boost agricultural production; the material benefits which such measures as raising the purchasing prices of grain and cotton would bring to the peasants will come to naught; it will be hard for a competitive and orderly market for agricultural means of production to take shape; and it even will harm the overall economy and jeopardize social stability.

In reforming the circulation structure for agricultural means of production, the principal aspect is to do a good

job in balancing aggregate supply and demand, establishing a regulation and control reserve system at the central and local levels, reorganizing the circulation channels, reducing the circulation links, and tightening up controls over chemical fertilizer prices. These reform measures conform to present realities, and are needed for establishing a socialist market economy. Some comrades hold that because we are practicing a market economy, the government should not intervene in the market, but let the market regulate itself totally and spontaneously. This is a one-sided view. The practice of modern market economic development does not bear out this fact. In the world today, we can no longer find a country that practices a totally free and laissez-faire market economy. The government will always have to intervene and regulate the market to a certain extent. This is because the market is not omnipotent, and sometimes it does not work or loses its effectiveness. Ours is a socialist market economy. We bring into play the basic role of market in distributing resources, while at the same time, we also should exercise necessary macroeconomic regulation and control. With regard to the market for important commodities that are vital to the national economy and the people's livelihood, we

should not wash our hands, but should make appropriate interventions and regulate them in good time according to the requirements of the price law so as to avoid violent market fluctuations. Especially in the period of switching over from the old structure to the new, in which the market fluctuates considerably because it has not fully developed, it is seemingly more important to strengthen macroeconomic regulation and control. By vigorously cultivating a unified, open, competitive, and orderly large market, and by exercising macroeconomic regulation and control in line with the requirements of market law, not only can we promote the rapid and healthy development of the economy, but also speed up the establishment of the socialist market economy.

Now that the State Council has promulgated the decision, all localities, departments, and productive enterprises should seek a common understanding and should put it into effect resolutely. We should be bold and self-confident in tightening up controls over the agricultural means of production market, speedily establish a new order in the market, and protect the enthusiasm of peasants, so as to promote the steady development of agricultural production.

## East Region

### Official Says Shanghai To Increase Computer Production

OW2508131894 Beijing XINHUA in English 1246  
GMT 25 Aug 94

[Text] Shanghai, August 25 (XINHUA)—Shanghai, the leading manufacturing center in China, plans to build one million computers and open 100 software companies during the 1994-2000 period, according to the municipal government.

Gao Yuqian, an official of the Municipal Computer Application and Industrial Development Group, said that output value of the local computer industry is set to soar to 20 billion yuan in 2000 from 2.5 billion yuan this year.

Shanghai has a sound basis for research and development, he noted.

It will try to bring in as much foreign investment as possible to expand its computer industry, so that the industry will have a high starting point, he said.

Since the beginning of 1994 a number of major foreign computer companies have discussed cooperation with local firms, he said.

These foreign companies include the IBM Corporation and the Hewlett-Packard Company of the United States and NEC Corporation of Japan.

The NEC Corporation has signed an agreement with the Changjiang (Yangtze River) Group, the largest computer manufacturer in Shanghai, on a joint venture to turn out computers and printers, Gao said.

The city now has 30 computer manufacturers and dealers, he said, adding that the Changjiang Group and Huadong (East China) Group have an annual sale of at least 100 million yuan each, he said.

### New Subway Under Construction in Shanghai

OW2608035994 Beijing XINHUA in English 0327  
GMT 26 Aug 94

[Text] Shanghai, August 26 (XINHUA)—A subway linking the Xujiahui District in the southwest area of Shanghai with the city's new railway station is now under construction.

Local workers began to lay track Thursday [25 August]. The new 19.7 km long subway line will connect with nine stations. Construction is expected to be completed by the end of the year. The line will pass under the Suzhou river.

New advanced technologies in welding have been adopted in the project.

Steel rails of 25 meter long have been welded together into 250-meter-long sections in steel factories, and then transferred to the construction site.

### Shanghai's Waigaoqiao Bonded Zone Ready To Reap Profits

OW2408143494 Beijing XINHUA in English 1402  
GMT 24 Aug 94

[Text] Shanghai, August 24 (XINHUA)—The Waigaoqiao bonded zone, the first such zone in Shanghai's Pudong area, has taken shape through three years of construction.

Infrastructural facilities in the bonded zone have been greatly improved over the past three years.

Included are four berths, which are capable of accommodating ships of 10,000 deadweight tonnages (DWT) and handling 2.4 million tons of cargo annually, and warehouses with a total space of 170,000 square kilometers.

A free trade management center focusing on management, finance, international trade, futures transactions and modern communications has been set up next to the warehouses.

The bonded zone has completed a large number of buildings for government offices, customs, banks, an insurance company, the tax bureau and public security, as well as for enterprises and trading centers.

In the first seven months of this year Shanghai imported and exported 310 million U.S. dollars worth of goods, conducted entrepot trade totalling 37.65 million U.S. dollars, processed 58.74 million U.S. dollars worth of goods for export, and stored 87.59 million U.S. dollars worth of production materials and equipment.

Altogether 1,071 projects from other provinces and regions and 36 countries and regions have been set up in the zone.

Altogether 70 percent of these projects are from foreign-funded businesses involving a sum of 1.6 billion U.S. dollars.

In addition, the bonded zone has built first-rate apartments, hotels, recreational centers and a shopping mall for overseas and domestic businessmen.

According to a top official from the Management Commission of Pudong, the bonded zone will maintain all preferential policies in the future.

These policies include the freedom of import and export of goods, the freedom of trade, the freedom of foreign exchange transaction and the freedom of foreign personnel crossing the border.

Moreover, the bonded zone will not change the preferential policy in taxation although the nation implemented the new taxation system on January 1st this year, the top official said.

In addition, enterprises engaged in trade which have been operational for more than 10 years will enjoy a 15 percent income tax deduction, while businesses in the bonded trading market of capital goods can postpone payments of value-added taxes.

### **Typhoon-Hit Areas in Zhejiang Receive 3 Million Yuan in Aid**

OW2508132094 Beijing XINHUA in English 1245  
GMT 25 Aug 94

[Text] Hangzhou, August 25 (XINHUA)—Some three million yuan (about 350,000 U.S. dollars) of aid from both at home and abroad has been sent to typhoon-hit areas in east China's Zhejiang Province by this afternoon.

Some 120 million yuan in cash, as well as medicine, non-staple food and cement valued at 51 million yuan were sent to various cities in the province.

A great deal of the aid came from businessmen in other regions whose hometown is Wenzhou, which was seriously damaged by Typhoon Fred.

Such donations include 120,000 yuan from Hangzhou, 100,000 Hong Kong dollars and another 110,000 yuan from Hong Kong and 10,000 U.S. dollars from the United States.

Wenzhou-born people now living in France, who sent a telegraph to their hometown this afternoon, have solicited donations from overseas Chinese.

Typhoon Fred, which cut across the province Sunday, caused great losses in life and property.

### **Bamboo Products Said Replacing More Wood in Zhejiang**

OW2508024394 Beijing XINHUA in English 0147  
GMT 25 Aug 94

[Text] Hangzhou, August 25 (XINHUA)—In the east Chinese province of Zhejiang, using bamboo to replace wood has emerged as new, rapidly developing industry.

Bamboo is now mainly used for paneling, instead of wood.

Zhejiang is one of the four largest bamboo-producing provinces in China, with its bamboo reserves being the highest. The province is also a large wood-consumer, but almost two thirds of its wood comes from other provinces.

The province has a tradition of making farming equipment out of bamboo. In recent years, the province has invested money and new technology into the development of bamboo products, which has made bamboo a new resource to replace wood.

Statistics from the forestry department of the province shows that bamboo can now replace 180,000 cubic meters of wood consumption for the province, five times over the past.

Bamboo paneling is now widely used in architecture, packaging and furniture manufacturing. The Hangzhou Wood Factory, together with the Nanjing Forestry University, has developed a new kind of high-intensity bamboo framework, which has replaced wooden and steel framework in some key construction projects like Yangpu and Nanpu bridge in Shanghai.

The substitution of bamboo products for wooden ones has expanded to textile and automobile production, and coal mining. Now, bamboo panels are being used in automobiles by the numbers one and two motor vehicle producing companies in China. Bamboo struts have replaced steel struts in some coal mines in Shanxi, China's most important coal producing base. Bamboo shuttles have replaced wooden ones in some textile factories in Shanghai and Hangzhou.

The development of bamboo products has been listed as a regional co-operation program by the United Nations Development Program (UNDP).

Bamboo production has attracted overseas investment. A Taiwan investor has set up four factories to make bamboo products in Zhejiang.

Some joint bamboo products factories have also processed bamboo into beautiful flooring for homes, which have become a best seller in Japan and America.

## **Central-South Region**

### **Guangdong Officials Urge Less Reliance on Hong Kong**

HK2608102594 Hong Kong HONGKONG STANDARD  
in English 26 Aug 94 p 6

[By Didi Tatlow]

[Text] Scholars and officials in Guangdong have called for less reliance on Hong Kong in contacts with the "outside world". A conference, just concluded in Guangzhou, also urged the establishment of a "tightly-knit economic, cultural, and social south China cooperation zone". Attendants said reform should be extended from the economic sphere to "society and culture at large".

The conference, entitled "Deng Xiaoping Thought and Guangdong's Open-Door Policy", said it was time for Guangdong to cease relying on Hong Kong and Macao for access to "the outside". The three hundred conference participants, described as both theoreticians and practitioners, called for Guangdong to "enter into international life", principally, the international environment of the Pacific Rim.

The call for the open-door policy to be extended to the realms of culture and society at large is significant. In a

very un-Marxist stance, China's leaders have always insisted it is possible to make a separation between economics and society and have pushed economic reform while withholding political, or social, change.

During the last 15 years of economic reform, Guangdong had turned into an economically open city but the conference participants agreed that this had been achieved through excessive reliance on Hong Kong and Macao. Participants called for "increased exchanges with the outside world on a social, cultural, technological and individual level".

The conference called for Guangdong to strengthen its ties with neighbouring Guangxi, Hunan, Jiangxi and Hainan island to build a tight-knit south China zone.

### **Guangdong Sets Up Deng Theory Study Center, Society**

*HK2608083894 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 19 August 94*

[Summary] A three-day symposium on Deng Xiaoping's theory, and one Guangdong's reform and opening up concluded on 19 August. At the closing session, it was announced that the "Guangdong Provincial Deng Xiaoping Theory Study Center" and the "Guangdong Provincial Deng Xiaoping Theory Study Society" had been officially set up.

Liu Sifen, deputy director of the Guangdong Provincial CPC Committee's Propaganda Department, delivered a summing-up speech at the closing session.

Zhang Nansheng was elected president of the Guangdong Provincial Deng Xiaoping Theory Study Center. Similar centers and societies already have been set up in four of the country's other provinces and municipalities, such as Beijing and Shanghai.

### **Guangdong Tax Reform Leads to Good Financial Condition**

*HK2508140994 Beijing ZHONGGUO XINWEN SHE in English 1201 GMT 25 Aug 94*

[Text] Guangzhou, August 25 (CNS)—Meetings attended respectively by heads of finance bureaus and taxation bureaus from various cities across Guangdong Province were convened at the same time this morning. The Director of the provincial Department of Finance, Mr. Zeng Bingsheng, delivered a report on the reform of taxation and on implementation of the budget since the beginning of this year. He was convinced that the provincial financial budget and the taxation system proceeded in a normal way.

Departments of finance at various levels across Guangdong have devoted themselves to the setting up of new taxation mechanism since the beginning of this year under the financial restructuring. They made a change in the financial system and did various kinds of supplementary work in accordance with the actual situation of the

province with the aim of ensuring smooth implementation of the new taxation system and steady transition. The financial revenue and expenditure across the province was in good shape this year. Local financial revenue across Guangdong was put at RMB [Renminbi] 15.547 billion between last January and July, 46.68 percent up over the same period last year.

Participants admitted that some problems still existed in the taxation reform and the implementation of the budget during the year. It would be an arduous task to reach the provincial financial target set for this year. A success in the taxation reform and realization of the year-round budget is the main core pursued by financial organs in months to come.

### **Zhanjiang Development Zone Growing Fast in Guangdong**

*OW2508135294 Beijing XINHUA in English 1321 GMT 25 Aug 94*

[Text] Guangzhou, August 25 (XINHUA)—The development zone in Zhanjiang, one of the 14 coastal cities China opened to the outside world, has made rapid progress since it was founded nine years ago.

Zhanjiang, 350 km southwest of Guangzhou, the capital of south China's Guangdong Province, is the largest city on the Leizhou peninsula facing the Hainan Island.

Yang Quqing, director of the management council of the development zone, said that, over the past nine years, more than 200 foreign-funded projects have been approved, involving an investment totalling 1.2 billion U.S. dollars.

By the end of 1992, the zone had used 130 million yuan (15 million U.S. dollars) in foreign investment.

The manufacturing of automobiles and telecommunications equipment has become the pillar sector. Other industries include electronics, machinery and textile.

New and high technology enterprises have developed 30 projects, ranging from micro-electronics to biological products and new materials.

### **Guangzhou Sees Increase in Registered Capital**

*HK2508145194 Beijing ZHONGGUO XINWEN SHE in English 1348 GMT 25 Aug 94*

[Text] Guangzhou, August 25 (CNS)—Affected by the new taxation system and macro economic adjustment, Guangzhou has seen a drop in number of its foreign-funded enterprises but a sharp increase in their amount of registered capital since the start of this year.

According to statistics, from January to July this year, there were 962 foreign enterprises registered in Guangzhou, 28 percent less than the corresponding period last year. However, their registered capital was nearly US\$2 billion, doubled the same period last year.

In the first half of this year, foreign investment in Guangzhou had the following characteristics.

1. Foreign countries and regions to invest in the city increased to 34 in number. Among them, America ranked first in terms of growth of investment amount which increased by 70 percent over the same period last year.

2. There was an enlargement in fields of investment. Fields for foreign investment had shifted from infrastructure like energy, transport and telecommunications, basic industries as well as science, education, finance and public utilities. [Beijing ZHONGGUO XINWEN SHE in Chinese at 0806 GMT on 25 August transmits this same item. The ZXS Chinese version of the preceding sentence reads: Fields for foreign investment in the city gradually have been extended to infrastructure—like energy, transportation, and telecommunications—as well as to science, education, finance, and public utilities.] The industrial structure of these enterprises became more reasonable.

3. There was an increase in the cancellation and withdrawal of such enterprises. The number of such enterprises canceled or withdrawn reached 168. Some foreign businessmen, after getting their business licenses, failed to carry out their contracts. Some of them made no investment or invested only a small amount of funds, leading such enterprises unable to go into operation.

#### **Guangzhou To Host Electronics Industry Fair Sep 8-12**

OW2608020594 Beijing XINHUA in English 0105  
GMT 26 Aug 94

[Text] Guangzhou, August 26 (XINHUA)—South China's Guangzhou will host an international fair featuring the latest development in electronics industry from next month.

The fair, which is jointly organized by the Guangdong Provincial Bureau of Electronics Industry and the Hong Kong Industry and Commerce Exhibition Company from September 8 to 12, is hailed as the largest such event in south China in decades.

On display during the five-day fair will be products ranging from computers and their accessories, family-use electrical appliances and facilities used in telecommunications, broadcasting as well as electronics circuits and components.

According to the organizing committee, businessmen from Japan, the Netherlands, the United States, Singapore, Germany, France, Italy, Britain, the Republic of Korea, Canada, Australia, Hong Kong and Taiwan have already registered to join in the exposition.

By then, a China hall will be built during the fair which will display China's latest development in electronics

industry and offer chances for Chinese enterprises to seek more co-operation and investment opportunities from overseas.

#### **Shenzhen Enterprises Authorized To Manage State Assets**

HK2508130594 Beijing RENMIN RI"AO in Chinese  
21 Aug 94 p 1

[By reporter Wang Chu (3769 2806): "Shenzhen Deepens Reform of State-Owned Enterprises; 18 Enterprises Are Among the First Group Authorized To Manage State-Owned Assets"]

[Text] Shenzhen, 20 Aug (RENMIN RIBAO)—Shenzhen has taken the lead in experimenting on the authorized management of state-owned assets. After the stocks and assets of enterprises are reappraised, the property rights registered, and the authorized state-owned capital of enterprises verified, it will be publicized in the mass media. The Shenzhen City Construction Group is among the first group of 18 enterprises authorized to manage state-owned assets.

This represents a major breakthrough in reforming state-owned enterprises in Shenzhen. An enterprise authorized to manage state-owned assets has the right to take possession of and use the assets and to impose penalties according to the law. An enterprise legal representative undertakes responsibility to preserve and increase the value of the state-owned assets of which it is authorized to take possession. The Shenzhen City Construction Group has been transformed into a state-owned assets management company. It is responsible for managing 927 million yuan worth of state-owned assets under its care. It exercises the right to take possession of and use state-owned assets, make profits from them, and impose penalties on behalf of the city state-owned asset commission; has the right to reap benefits from the assets of contributors, the right to make major policy decisions, and the right to choose managers; operates state-owned assets in the form of value; and ensures that the net value of state-owned assets reaches 2.5 billion yuan by the end of this century.

According to Li Youwei, secretary of the Shenzhen City CPC Committee and city mayor, by authorizing enterprises to manage state-owned assets, defining state ownership and corporate property rights, and separating ownership of contributors from corporate property rights in a legal form, Shenzhen City has found a method of organically integrating public ownership with the market economy.

#### **Henan Stresses Health Care for Women, Children**

OW2608020494 Beijing XINHUA in English 0108  
GMT 26 Aug 94

[Text] Zhengzhou, August 26 (XINHUA)—Central China's Henan Province is paying great attention to the construction and perfection of its women's and children's health care network.

The province, the second most populated province in China, attaches priority to the work for it is seeing a baby-boom at present.

Henan now has more such health centers and is pushing forward an insurance system for the protection of babies and of women during and after pregnancy. According to Chinese tradition, women should be allowed to rest for one month after giving birth. The direct translation of this period after giving birth is "lying-in"

Last year, 635,000 babies out of 670,000 born in the province were born in hospitals.

Now 56 percent of pregnant and "lying-in" women and 53 percent of children have been put under the health care system in the province.

The province also published its regulations on health care for young couples, and publicized the regulations in 100,000 pamphlets and video tapes.

It has over 800 health care supervisors and 520 health care and medical units in the province have had licenses for pre-marital physical examinations. About 80 percent newly-wedded couples have undertaken such examinations.

While promoting the practice of breast-feeding, the province is striving to improve conditions for "lying-in" women and newly-born babies in its hospitals.

#### Henan Leaders Inspect Mountainous Area

HK2608053294 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 19 Aug 94

[Text] Between 18 and 19 August, Li Changchun, secretary of the provincial party committee, and Song Zhaosu, deputy secretary of the provincial party committee, inspected Xixia and Nanzhao. There, they discussed with local cadres and the masses such issues as utilizing local resources, developing township and town enterprises, developing forestry and fruit production, and speeding up the pace of freeing the people in the mountainous area from poverty and enabling them to get rich.

In Xixia County, Li Changchun and Song Zhaosu inspected Wanxi Pharmaceutical Factory, Xixia Hunting Rifle Plant, and a walnut research institute. Li Changchun required the county party committee and the county government to support Wanxi Pharmaceutical Factory in its efforts to develop brand-name products and increase production of urea. He also stressed the need to make full use of the rich fruit resources in the locality, enrich the varieties of the fruits, and link the local products with the domestic and international markets so that the resources can be fully used to help the people get rich.

In Nanzhao County, Li Changchun and Song Zhaosu inspected a Sino-Japanese joint venture, [names indistinct]. Then, they went up to the hilltop to see the local project of transforming slope land into terrace fields. Li

Changchun said: [sentences indistinct] It is necessary to fully develop the resources in the mountainous area, and develop the industry of processing mineral and farming resources. [sentences indistinct]

#### Hunan Leader Calls For Better Business Results

HK2608075394 Changsha Hunan People's Radio  
Network in Mandarin 2300 GMT 20 Aug 94

[Excerpts] The provincial work conference on turning deficits into profits in enterprise operation was concluded on in Changsha on 20 August. Wang Maolin, secretary of the provincial party committee, attended the meeting and gave an important speech. He required that all departments and localities in Hunan do effective work to halt business losses and increase profits in enterprise operation, and that they take this as an important matter for keeping the overall situation stable, and for achieving—in groups and stages—the targets set for by the provincial party committee and government. When discussing the work to halt business losses and increase profits, Wang Maolin stressed: Party committees at all levels should concentrate their efforts on halting business losses and increasing profits in state-owned enterprises, and take this as a major task for the second half of the year. [passage omitted]

Wang Maolin said: Although there are many reasons for the losses incurred by the enterprises, a major reason is their poor management. After the enterprises had more powers delegated to them, some did not exercise proper self-control in their operations, and some grass-roots enterprises did not carry out a strict accounting system and operated in a disorderly fashion. Therefore, the enterprises first should uncover the internal problems causing the business losses, make efforts to deepen management reform, and tap potential through improving internal management.

Wang Maolin also stressed: We should protect and support those enterprises that product goods which are competitive and sell well in the market, but those that cannot halt business losses should be made to go bankrupt according to the law. We should commend and encourage the prefectures, cities, and counties that do a good job in halting business losses and increasing profits in enterprises, and should criticize and take disciplinary action against those that do not achieve good results in this regard.

#### Hunan Governor Addresses Financial Taxation Meeting

HK2508130694 Changsha Hunan People's Radio  
Network in Mandarin 2300 GM 16 Aug 94

[Text] A provincial financial taxation meeting opened in Changsha yesterday [16 August]. The meeting was presided over by Wang Keying, member of the provincial party standing committee and executive vice provincial governor. Provincial Governor Chen Bangzhu attended

the meeting and made an important speech on doing financial taxation work well during the second half of this year.

This is the first year of implementing our new financial taxation system. Over the past six months or so, financial taxation departments at all levels in our province have properly handled some conflicts and problems arising in reforms to ensure the normal operation of the new system. From January to July this year, local financial revenue for the whole province totalled 3.696 billion yuan, accounting for 56.86 percent of the fiscal budgetary tasks and registering an increase of 43 percent over the same period last year.

Talking about financial taxation work to be completed in our province in the several months to come, Chen Bangzhu pointed out: As far as comrades working in financial taxation departments are concerned, their priority task is to grasp revenues properly. This is not simply an easy economic issue. On the contrary, it is a political problem which concerns our political stability and the improvement of our people's living standards. Various units and departments at all levels must make efforts to advocate a hardworking and thrifty work style. At present, although we are facing financial difficulties, extravagance and waste are still serious. For this reason, the provincial party committee and government advocate [words indistinct] experience. In other words, use of budgetary funds will be mixed with use of extrabudgetary funds based on unified financial expenses. This will mainly guarantee money needed to pay wages, disaster relief, and for necessary production development.

### Southwest Region

#### Trial Run Given to New Income System for Sichuan Managers

OW2608105094 Beijing XINHUA in English 0737 GMT 26 Aug 94

[Text] Chengdu August 26 (XINHUA)—A new income system for managers will undergo a trial run in the large and medium-sized state-owned enterprises in southwest China's Sichuan Province.

Twenty two enterprises were selected to try out this new system.

According to the new system, the income of the managers will be divided into two parts, basic salary and risk-related income. The former will be set according to the economic efficiency data set by the enterprises, scales of business and average levels of employee's income in certain enterprises and certain areas.

The risk-related income will be set in accordance with the actual economic efficiency, the responsibility of the post and amount of risk involved in the venture. This part can be as high as twice the basic salary.

Under this system, the income of a manager will be three to ten times that of average employee's.

Economic experts predict that managers with good business results will obtain more than 10,000 yuan in annual income under the new system.

The new system regulated that the income of the managers will be covered as production costs and will be excluded from the employee's payroll.

Those losing profits for enterprises due to poor management will be punished by having part of their pay deducted.

Experts hold that the system indicates the openness of the managers' income, which will be good to invigorate the enterprises.

#### Chengdu Hosts Deng Theory, Practice Symposium

HK2608084094 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 18 Aug 94

[Summary] The Comrade Deng Xiaoping Theory and Practice Symposium was held in Chengdu on 18 August. Hu Sheng, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee; Nie Ronggui, chairman of the Sichuan Provincial CPPCC Committee and vice president of the China Scientific Socialism Society; and Song Baorui, deputy secretary of the Sichuan Provincial CPC Committee and president of the Sichuan Provincial Party School; delivered important speeches. They spoke highly of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and called for conscientiously studying Comrade Deng Xiaoping's theory and practice, as well as for profoundly comprehending the importance and significance of Comrade Deng Xiaoping's theory to China's reform, opening up, development, and stability in the new historical period.

The symposium was sponsored jointly by the China Scientific Socialism Society, the Central Party School's Scientific Socialism Teaching and Research Department, the Sichuan Provincial Party School, and other units. It was attended by more than 200 people, including experts and scholars from across the country.

#### Tibet Draws Up Longer-Term Transportation Plan

HK2508140794 Beijing ZHONGGUO XINWEN SHE in English 1258 GMT 25 Aug 94

[Text] Lhasa, August 25 (CNS)—Tibet Autonomous Region, the only place in China with no railway line and water transport facilities, has recently outlined a medium and long term plan for development of highway and air traffic. On completion of the plan, Tibet will become a high grade road as well as an aviation network with Lhasa as its centre, according to the director of the Department of Communications, Mr. Huang Duoqun.

The autonomous region covering a wide area and special geographical structure is the only place where no railway and water transport service is available. During the 43 years since the peaceful liberation, the central government has long been highly valuing construction of road and aviation facilities there. The authorities spent RMB [Renminbi] 4 billion on the road construction alone and the autonomous region has highways totalling 21,800 kilometres. About 77 percent of village area have their roads open to traffic while Medog County had road traffic last February. Civil aviation developed to some extent in the region with air routes from Lhasa to Chengdu, Chongqing of Sichuan Province and to Beijing as well as an international route to Kathmandu of Nepal.

In order to further exploit the transport service in the Region, Tibet drew up a medium and long term transportation plan according to the state planning. The medium plan which falls on the coming Ninth Five-Year Plan period will put emphasis on five state grade highways and border roads covering Nepal, provinces of Qinghai and Sichuan while at the same time realizing construction of highways included in the planning for the middle reaches of the rivers running across the Region. Broken roads have to be connected and other highways built by the Region and county have to be improved.

During the Ninth Five-Year Plan period, the Region will set up the Tibet Airline Company, increase five more domestic and international air routes and bring in five planes for air traffic.

The long term transportation plan straddling the next century mainly lies in construction of five main trunk state level highways running through the autonomous Region. A number of highway projects covering a wide area will be built, renovated or improved.

The Vice-Minister of Communications, Mr. Liu E, who is now visiting the Region gave a positive response to this ambitious transportation plan.

### **Private, Individual Business Grows in Tibet**

OW2608020694 Beijing XINHUA in English 0058  
GMT 26 Aug 94

[Text] Lhasa, August 26 (XINHUA)—Another 5,200 private businesses opened in the Tibet Autonomous Region from January to mid-August this year, which has pushed the total number of such businesses here to over 46,000.

According to the regional administration for industry and commerce, the Tibet Autonomous Region attached much importance to the development of private industry and commerce in its economic agenda for the year 1994. A series of preferential policies have been stipulated since then, which encourage the rapid growth of the private sector.

One of the policies says that private businesses can start operating before they are approved by industry and commerce departments. Or they can start operating while they are getting permission from the regional government.

These newly emerged private businesses mainly work in such trades as commerce, agriculture, forestry, animal husbandry, water conservancy, transportation, building industry, culture and art. Lhasa, the capital city, has led the wave, with 1,700 such businesses opening since the beginning of this year.

## **North Region**

### **Beijing Sets Up State, Local Tax Bureaus**

SK2508112394 Beijing BEIJING RIBAO in Chinese 16  
Aug 94 pp 1, 3

[By reporter Wu Xiangzhong (0702 0686 0022): "Beijing Municipality Establishes State and Local Tax Bureaus"]

[Text] To implement the major policy decisions of the party Central Committee and the State Council and to carry out the separate central and local taxation systems, on 15 August Beijing Municipality proclaimed the founding of the state tax bureau and the local tax bureau. Attending and addressing the inaugural meeting were leaders of the Ministry of Finance, the state general administration of taxation, and Beijing Municipality, including Liu Jibin, Yang Chongchun, Wang Baosen, and Yang Zhaoshi.

The separate establishment of the state tax bureau and the local tax bureau is an important organizational guarantee for reforming the national key tax systems. The municipal party committee, the municipal government, and the state general administration of taxation have paid high attention to organizing and establishing these two tax organizations. The tax organs at various levels and all cadres in charge of tax affairs, with a high degree of political responsibility, have done a lot of work to separate these two tax organs.

Fan Yuanmo, secretary general of the municipal government, chaired the inaugural meeting. A responsible person of the personnel affairs administration under the state general administration of taxation, declared the decision on appointing Sun Zhiqiang as director of the state tax bureau of Beijing Municipality. A responsible person of the organizational department of the Beijing Municipal party committee declared the decision on appointing Sun Jiaqi as principal responsible person of the local tax bureau of Beijing Municipality. Sun Zhiqiang and Sun Jiaqi respectively pledged to strengthen the cooperation between the two bureaus, to promote unswervingly the reform of the taxation system and the tax collection and management system, to make efforts to fulfill the tax revenue tasks assigned by the central and local authorities, and to make new contributions to

strike a balance between revenues and expenditures and to develop the state taxation undertakings.

Yang Zhaoshi, standing committee member of the municipal party committee and director of the organizational department of the municipal party committee, made a speech. He urged that the two bureaus should consider the overall situation, stress unity, support each other to resolve difficulties, stress party spirit, and abide by discipline. Particularly, leading cadres should still play a more exemplary role. In the course of separating tax bureaus and readjusting personnel affairs, we should persist in the principle of having both ability and political integrity and selecting personnel from all parts of the country, divide jobs, do a good job in collecting taxes, and strengthen the building of leading bodies and the tax cadre contingent.

On behalf of the Ministry of Finance, Vice Minister Liu Jibin enthusiastically congratulated the two bureaus on their establishment. He said: The separate establishment of these two bureaus is a great matter. The Beijing Municipal party committee and the municipal government are resolute in implementing the policy decisions of the party Central Committee and the State Council. The separate central and local taxation systems are new things. We have just made a start in separating the organs. First, we should upgrade our understanding. Both the state and local tax bureaus should consider the overall situation, stress work styles and unity, and take on their own heavy burdens.

On behalf of the state general administration of taxation, Deputy Director Yang Chongchun congratulated the two tax organs on their establishment. He said: Upon establishment, these two tax organs are confronted with extremely arduous and heavy tasks. The two bureaus should closely cooperate with and support each other, exchange information, make concerted efforts to promote the reform of the tax system and the tax collection and management system, and fulfill the tax revenue tasks assigned by the central and local authorities.

On behalf of the municipal party committee and government, Wang Baosen, standing committee member and executive vice mayor of the municipality, warmly congratulated the two tax bureaus on their establishment and expressed heartfelt thanks to the Ministry of Finance and the state general administration of taxation for their concerns and instructions. He said: The separate establishment of the two tax bureaus is of extremely important significance to establishing the central and local tax systems, strengthening the macroeconomic regulation and control, promoting the setup of the socialist market economic system, bringing into full play the enthusiasm of the central and local authorities, and ensuring a stable increase in revenues. The municipal party committee and government have resolutely implemented the major policy decisions of the party Central Committee and the State Council. The formal establishment of the two tax bureaus with the great assistance of the Ministry of

Finance and the state general administration of taxation and with the efforts made by the municipal tax department indicates that the municipality has entered a new stage of reforming the financial and taxation systems. I hope that with new ideas, new styles of leadership, and new work methods, the comrades of the two bureaus will work hard at their new posts to meet the demands of the new situation.

Wang Baosen urged that the two bureaus should strengthen coordination, respect and cooperate with each other, and make concerted efforts. All fronts in the municipality should pay attention to supporting the work of the local tax bureau and make the work of the local tax bureau embark on an accurate orbit as soon as possible. We should show more concerns for the work of the state tax bureau. The financial department, the state tax bureau, and the local tax bureau should work in close cooperation with one another to ensure success in the reform of the financial and tax systems, as well as the fulfillment of the budget. We should strengthen the collection and management of taxes, strictly stop exceeding powers to reduce or remit taxes according to Vice Premier Zhu Rongji's requirements, and strengthen the collection and management of individual income taxes. We should strengthen the construction of ranks, pay particular attention to grasping study and training, strengthen the improvement of administrative honesty, and consciously resist the influence of various influential ideas.

After the inaugural meeting, Wang Baosen, Liu Jibin, and Yang Chongchun went to the two bureaus and respectively unveiled the plates of the state tax bureau of Beijing Municipality and the local tax bureau of Beijing Municipality.

#### **Beijing-Harbin Expressway Opens To Traffic**

OW2608083994 Beijing XINHUA in English 0724  
GMT 26 Aug 94

[Text] Beijing, August 26 (XINHUA)—Beijing's section of the Beijing-Harbin expressway has been opened to traffic early this week, sources from the Beijing Municipal Government said.

The whole section is 13 kilometers long, with a total investment of 250 million yuan.

The designed speed on this four-lane expressway is 90 kilometers per hour.

Now the whole course of Beijing's expressway has reached 114 km.

#### **Beijing City To Set Up Experimental Education Reform Zone**

OW2508135494 Beijing XINHUA in English 1340  
GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—An experimental zone is to be set up in Beijing's Haidian district, where

institutions of higher learning are concentrated, according to the education working conference held here Monday [22 Aug].

The reform goals for the experimental zone are to promote the close connection of education with economy, science and technology; to make comprehensive arrangements for popular education, professional education and adult education; and to deepen the educational reform by setting up an operational mechanism which is more flexible.

Among others, the goals are to put basic education as the key task and train qualified personnel in various fields by improving the quality of education; and to increase investment in education and encourage various social forces to run education.

To ensure that education is being carried out smoothly, the Beijing Municipal Government will set forth certain policies and give the districts more power in its comprehensive arrangement of educational development.

### **Yellow Emperor City Under Construction in Hebei**

OW2508085894 Beijing XINHUA in English 0650  
GMT 25 Aug 94

[Text] Shijiazhuang, August 25 (XINHUA)—The new yellow emperor city, dedicated to the purported ancestor of the Chinese people, is under construction in north China's Hebei Province.

The ancient yellow emperor city is located in present Zhuolu county in Hebei Province. It was the oldest capital in China and the cradle of the 5,000-year history of Chinese civilization.

The new city is being constructed on the original site of the ancient one. The first phase of construction, covering an area of five sq km and costing 38.2 million yuan, will be completed in 1997.

The whole project includes seven major buildings in ancient styles.

The reconstruction of the city is aimed at displaying the living and working conditions, and culture of ancient Chinese of 5,000 years ago.

The second phase of construction is to be finished by the year 2000.

### **Water Level Rises Sharply in Hebei's Baiyangdian Lake**

OW2408143294 Beijing XINHUA in English 1411  
GMT 24 Aug 94

[Text] Shijiazhuang, August 24 (XINHUA)—The water level is up in Baiyangdian Lake...and, as a result, so is the number of tourists. Once seriously effected by seriously low water levels, the largest fresh water lake in north China has been undergoing a rapid increase in its water level since the end of July.

The standard water level of the lake reached 8.2 meters Monday [22 Aug], and the water level may soon rise to 8.5 meters shortly.

Baiyangdian Lake is reputed as a "shining pearl" in north China. The lake has an area of 366 sq km, consisting of 143 small lakes that connected together.

The lake is famous for its rich water resources and beautiful scenery, which attracts many visitors from both China and abroad.

Keeping the lake clean and the water level up is an important issue that received public attention. According to a local prefectural government official, the state and the local government has put tens of millions of yuan into treatment of pollution in upper stream of the lake and has increased the water reserve in the three reservoirs in its upper stream.

### **Minority Law Boosts Inner Mongolian Economy**

OW2508043694 Beijing XINHUA in English 0323  
GMT 25 Aug 94

[Text] Hohhot, August 25 (XINHUA)—Northern China's vast Inner Mongolian Autonomous Region has experienced its fastest growing period in the past decade since the Minority Nationality Regional Autonomy Law was established, said a senior official of the autonomous region.

Ulgi, chairman of the Inner Mongolian autonomous regional government, told XINHUA on the coming tenth anniversary of the establishment of the law, that Inner Mongolian benefited the most both economically and politically from the law in the past decade.

China promulgated its first law on minority nationality regional autonomy in 1984. The law was generally regarded as the basic regulation to solve issues of China's ethnic groups. Officials said it is of great help in enhancing unity among ethnic minorities and in developing local economies in the ethnic groups-inhabited areas.

China now has five autonomous regions of provincial level and 30 autonomous regional prefectures. 45 out of China's 55 ethnic groups have adopted the autonomous regional system, covering 90 percent of China's ethnic population.

The law rules that the local autonomous regional government can, according to each ethnic group's characteristics, adopt special and flexible policies governing its politics, economic development and culture. Local government also has the right to govern its own treasury and revenue.

The chairman pointed out that the regional government has made a series of relevant laws and regulations and a development blueprint to boost the local economy, according to the law.

Called a "model autonomous region" by China's late premier Zhou Enlai in the 1950s, Inner Mongolia has solved the problems of food and clothing of people there and is becoming one of China's most important areas producing large amount of forestry products and livestock products.

In addition, it is turning into a main Chinese producer of iron and steel, electricity, oil, energy, grain, vegetable oil and sugar.

That is part of the result of the central government's special preferential policy, said Ulgi.

Fixed assets investment in the autonomous region totalled 94.70 billion yuan from 1979 to 1993, some six times the investment in basic construction in the previous 29 years. Some 21.06 billion yuan of investment was poured into the autonomous region in 1993 alone, which would translate the total investment in basic construction in the previous 32 years.

Local people's living standard was improved considerably. Urban residents' per capita income rose from 832 yuan in 1983 to 2,772 yuan last year and farmers' per capita income grew from 294 yuan to 778 yuan. The per capita income of herdsmen surged to 1,164 yuan from 530 yuan.

Spanning all of northern China, Inner Mongolia covers a land area of 1.18 million square meters with population topping 22 million. About 3.50 million out of the total population are of Mongolian minorities.

### **Shanxi Said Largest Energy, Heavy Industry, Chemicals Base**

*OW2608021994 Beijing XINHUA in English 0149 GMT 26 Aug 94*

[Text] Taiyuan, August 26 (XINHUA)—After 15 years of effort, China's largest industrial base in coal, power, metallurgical industry and chemicals is taking shape in north China's Shanxi Province.

The province, with one third of China's coal reserves amounting to 870 billion tons, has seen a rapid development in its coal industry due to its coal varieties, its short distance to other provinces and regions for coal transportation, as well as its mining reserves.

Since 1981, China has invested a total of 1.54 billion yuan (about 179 million U.S. dollars) in the construction and expansion of a number of key coal enterprises in Datong, Yangquan, Xishan, Jincheng and Lu'an.

Last year, the province produced nearly 300 million tons of raw coal, one fourth of the country's total output, and it has become one of world's largest raw coal production bases with an annual output of over 100 million tons each.

The substantial development of Shanxi's coal industry is playing an increasingly important role in supporting

areas lacking of energy resources, especially the economic development in east China's coastal areas.

Now Shanxi exports about 200 million tons of coal annually to 26 provinces, autonomous regions and municipalities nationwide, accounting for 80 percent of the country's total.

With the development of its coal industry, Shanxi has invested about 12 billion yuan in the development of its power industry during the past ten years.

So far, the province has an installed capacity of 8.47 million kilowatts, and last year, it managed to generation 41.7 billion kwh of electricity. From 1986 to 1990, it provided a total of 22 billion kwh of electricity for areas outside the province, 3.18 times the figure from 1981 to 1985.

The province is a regular supplier of electricity to Beijing, Tianjin, and Tangshan with an annual amount of 8.5 billion kwh.

To solve the transportation problem in exporting its coal, the province has started to pay equal attention to the export of its coal and electricity.

In the past two years, Shanxi has carried out a strategic plan by building and expanding a number of power plants around the province to provide electricity outside the province.

By the end of this century, it is expected to have an installed capacity of 20 million kwh.

The development of coal and power industries has laid a firm foundation for the development of Shanxi's metallurgical and chemical industries.

As China's largest producer of coke and pig iron, Shanxi can provide nearly 10 million tons of cokes and over three million tons of pig iron annually for the national steel industry.

Meanwhile, the province has set up China's largest varied steel production base in its capital of Taiyuan, as well as a number of chain iron and steel production enterprises in the province.

Also the Shanxi aluminum plant, with an annual output of 1.2 million tons of aluminum oxide, has become Asia's largest plant of its kind.

Shanxi's chemical industry with coal as materials has witnessed substantial development during the past few years.

Now the province has nearly 100 chemical fertilizer production enterprises which can consume five million tons of coal a year and produce a total of 600,000 tons of nitrogenous fertilizer annually.

In addition, the chemical treatment of coals such as gasification and liquefaction is under development.

**Increasing Number of Tianjin Firms Start Making Profits***OW2508110694 Beijing XINHUA in English 1021  
GMT 25 Aug 94*

[Text] Tianjin, August 25 (XINHUA)—More and more formerly loss-making enterprises here are churning out profits, thanks to an intensive campaign to turn red into black.

Meanwhile, 13 enterprises shackled with slack management and sluggish markets have been ordered to stop production, leaving 140,000 workers dependent on unemployment insurance.

By the end of July, 20 enterprises formerly making an annual loss of more than one million yuan each had begun generating profits.

For example, the Tianjin Sewing Machine Factory, once the city's No. 1 loss-making firm, has turned its production line into one of the hottest in the country after it used a one-million-yuan bank loan to upgrade its sewing machines.

However, officials attributed the general turnabout to the measures each enterprise has taken to reform internal structures and operational mechanisms.

The Tianjin Clock and Wrist Watch Factory lost several million yuan over two years before it adopted a bank-style accounting system this year, a move enabling it to pay back all its debts.

Cross-sector business operations, such as running a hotel or a shopping center, have also helped some loss-making enterprises to turn out profits, industry sources said.

**Tianjin Holds Forum, Photo Exhibition on Deng Xiaoping***HK26080804594 Hong Kong TA KUNG PAO in Chinese  
22 Aug 94 p 2*

["Special dispatch" by special correspondent Liu Hsien-yun (0491 3807 0061): "Tianjin Development Zone Holds Photo Exhibition To Mark Deng Xiaoping's Inspection"]

[Text] Tianjin, 21 Aug—A forum and photo exhibition marking the eighth anniversary of Deng Xiaoping's inspection of the Tianjin Development Zone was held solemnly in the zone on 19 August.

Wang Guangying, vice chairman of the National People's Congress Standing Committee, made a special trip to Tianjin to attend the commemorative activities. Gao Dezhan, secretary of the Tianjin Municipal CPC Committee; Li Jianguo, deputy secretary of the municipal party committee; Vice Mayor Ye Disheng; and Zhao Yundong, deputy director of the State Council's Special Economic Zones Office; also attended the occasion.

On 19 August 1986, Deng Xiaoping inspected Tianjin and made an important speech. When inspecting the Tianjin Economic and Technological Development Zone, he wrote an inscription: "There are great prospects for development zones."

**Tianjin High-Tech Industry Attracts Foreign Investment***OW2608111294 Beijing XINHUA in English 0806  
GMT 26 Aug 94*

[Text] Tianjin, August 26 (XINHUA)—The high-tech industry in Tianjin, north China's port city, is becoming a new attraction for overseas investment.

According to a report from the Tianjin New Technology Industrial Garden, the number of overseas businesses investing in the garden in the first seven months of this year reached 73, compared with 74, the total for the past six years.

The report said that the scale of overseas-funded ventures in the garden has expanded. The total investment of 100 joint ventures came to more than 100 million U.S. dollars.

A number of Japanese and German companies, including Epson, Icomen and Siemens, invested in the garden to develop new and high-tech products.

According to the report, more than 50 transnational overseas firms have built over 80 joint ventures in Tianjin in the first six months of this year, involving 1.5 billion U.S. dollars.

Many high-tech products by these overseas-funded ventures, such as Otis elevators, Honda motorcycles, Zanussi refrigerator compressors, Merlin Gerin switches and Dynasty wine, have kept a high sale in both domestic and world markets.

Sales figures of Otis elevators produced by the Tianjin Otis is higher than those of the Japan Otis; video cameras produced by the Tianjin Samsung Electronics Company have been exported to countries such as the United States and Australia.

Economists predict that it is an irreversible trend that high-tech industry in the future world economy will continually expand. China has now laid a solid foundation in manpower, material forces and financial resources to develop the new and high technology industry.

The Beijing-Tianjin park is a base for more than one third of China's scientific research personnel plus batches of large and medium-sized state-owned enterprises that need renovating.

They say that far-seeing investors both at home and abroad are seizing the opportunities to develop their businesses in this area.

In addition, investors in Tianjin have enjoyed the same preferential policies as those in other parts of the country. Many of the foreign investors are satisfied with the well-educated workers and good infrastructures there.

### Northeast Region

#### Governor Views Heilongjiang Official Functions

SK2508132794 Harbin HEILONGJIANG RIBAO in Chinese 3 Aug 94 p 2

["Excerpts" of speech by Tian Fengshan, acting governor of Heilongjiang, to the Fifth Plenary Session of the Heilongjiang Provincial Government on 29 Jul]

[Text] On the issue of bringing into full play the overall function of the provincial government, we should say that previous Heilongjiang governments took it seriously and placed much emphasis on it. Why do we still make special efforts today to talk about this issue? The reason for our emphasizing the development of the overall functions of the government is not only to meet the urgent need to raise the government's ability for macro-economic regulation and control during the transformation from a planned to a socialist market economy system, but more importantly to meet the urgent need to accomplish the extremely heavy task facing our province to reform, develop, and maintain stability. In this aspect, since the number of large and medium enterprises in Heilongjiang is fairly great, the volume of work is heavy in regards to rebuilding the enterprise system, transforming operation mechanism, and enlivening enterprises. Comparatively speaking, new economic growth points—such as the nonstate-owned economy—are weak and need to accelerate development. Therefore, reform should be conducted to remold state-owned enterprises and develop the nonstate-owned economy simultaneously. Reform in our province has entered a profound stage. In development, the economic growth of Heilongjiang is fairly slow, and the economic returns are fairly low. During the 13 years from 1980 to 1993, the average growth rate of Heilongjiang's gross domestic product was 6 percent (5.4 percent in the most recent three years), 3.5 percent lower than that of the entire state. Industry, the mainstay of our economy, maintained low growth and low efficiency for a long time; the number of enterprises which incurred losses totalled more than 60 percent; one-third of state-owned enterprises and most of the county-run enterprises had difficulties in maintaining normal output; and the forest, coal, and war industries remained in dire peril. The economic burden is heavy, and currently the debts incurred by enterprises in our province are fairly large, while open and latent losses are considerable (the amount is still being verified, and may be up to 10 billion or tens of billion of yuan). Based on the current speed of economic development, our province cannot achieve the goal of a 300-percent increase by the year 2004. Therefore, whether we can accelerate the speed of development and increase economic returns is a more severe test

for us. As regards stability, the number enterprises throughout the province which totally or partly cease production is increasing, and the difficulties for some workers to make a living are becoming worse; more than 50 counties experience difficulties in covering their expenses due to the bad fiscal situation; some cities and counties suffered serious economic losses due to the fairly serious floods which hit certain localities, creating serious difficulties in production and in the lives of the masses; the rise of commodity prices in the first half of this year, totalling 19.2 percent, was very high, though lower than the average rate for the entire state; and the public security situation is not very good, with serious and vicious crimes on the increase. All this has an unfavorable influence on our social stability. The situation described above illustrates that the economic and social problems are many, the difficulties are tremendous, and the task is arduous. To resolve these complicated economic and social problems and to accomplish such a heavy task, it is impossible to depend on a few people and a few departments; the mere efforts of a few people and a few departments cannot change the difficult situation. Instead, we should bring into full play the overall function of the government; make the government operate at full capacity; and require all members of the Heilongjiang Provincial Government to work together with one heart, spare no effort, fulfill the duty, and really devote themselves to the task. Under the leadership of the provincial party committee, we should unite and lead the people throughout the province to overcome these temporary difficulties with one heart and one mind, and accelerate reform as well as development. In order to bring into full play the overall function of the government, we need to solve many problems, and we currently need to particularly resolve the following four issues.

#### 1. The Issue on Emancipating the Mind

Emancipating the mind is the premise and condition for bringing into full play the overall functions of the government; it determines the direction of the government's overall functions. If we do not emancipate our minds and do not change our concepts, yet still retain the style of the planned economy and pursue larger and higher degrees of public ownership, the government's functions will not be correctly and efficiently brought into full scope, and it will deviate from the direction of a socialist market economy and play a contradictory role. Whether or not we emancipate our minds has a decisive meaning in the government's development of its overall functions.

In recent years, especially after the publication of the speech made by Comrade Deng Xiaoping during his inspection tour of south China, we have done a lot of work in emancipating the mind and in transforming concepts, attaining some notable results. However, emancipating the mind is a long-term task, and we cannot find a solution that holds good forever. Judging from the reality, our government and its subordinate

departments have not emancipated their minds to a degree compatible with the requirements of a socialist market economy. The influence of the thought and management pattern of a planned economy is reflected in our government's tasks, with or without our consciousness. The main difference between Heilongjiang and the coastal and prosperous provinces in the south is in the extent of emancipating the mind. For our province, emancipating the mind is currently the most urgent and most important task.

Proceeding from the reality of Heilongjiang and the requirement for bringing into full play the overall function of the government, the most important task for emancipating the mind is to resolve the question of how to enhance Heilongjiang's economic development by employing new concepts and new trains of thought.

First, we should foster the concept of taking economic construction as the central task, and of accelerating development.

Taking economic construction as the central task was stipulated by the party's basic line, and it is what we have emphasized time and again and constantly upheld. Why do we still make it the first issue to be resolved when emancipating the mind? It is not merely enough to admit the theoretical correctness of the issue; we should also implement it in the specific work of our government and subordinate departments, and take it as the guiding thought to which all tasks should conform. All subordinate departments of the provincial government, as well as all tasks, should conform to and provide service to the central task of economic construction; they should not deviate from, interfere with, or influence the central task. To really take economic construction as the central task and proceed from reality, currently the most important aspect is to accelerate economic development by all means and improve the province's economy. A crucial idea that runs through Volume Three of the Selected Works of Deng Xiaoping is the issue of development. Comrade Xiaoping stated: "We should pay special attention to the downturn in economic rates." And: "If we do not achieve any development for five years, or if we develop at a slow rate—like at 4 percent or 5 percent, or even at 2 percent or 3 percent—what will happen? This is not merely an economic but also a political issue." As to whether or not we should accelerate development, everybody's understanding is correct and definite. The issue we have to resolve now is whether or not Heilongjiang is able to accelerate development. The upper and lower levels of the entire province should conscientiously study Volume Three of the Selected Works of Deng Xiaoping and should emancipate the mind when considering whether we can accelerate development. We should not accept that Heilongjiang can only achieve this speed of development, nor should we think the situation of low growth and low efficiency cannot be changed. We should perceive of Heilongjiang's economy attaining a faster development rate if we correctly handle all kinds of economic relationships,

achieve success in the task of "five extensions and two accelerations," and correct the guiding thought of economic work; if we speed up the transformation of the mechanism of large and medium enterprises as well as the property rights reform of small enterprises, and make efforts to press ahead with the technological transformation of enterprises; if we actively cultivate new economic growth points; if we base our superiority of resources to conduct a second in-depth exploitation of resources; and if we persist in cooperating with the south and opening up to the north, increase the impetus of cooperating with the south, open up in all directions, and enhance as well as spur overall economic development. We will succeed as long as we have the strong will of our 36 million people to accelerate development and grasp the opportunity to develop as entrusted to us by history. All localities and departments should proceed from the reality of our province, localities, and departments to conscientiously sum up the differences, experiences, and lessons which exist in the task of taking economic construction as the central task and of accelerating development, and in which respects we should further increase working impetus and attain breakthroughs. After a conscientious checking and summing-up of in the above aspects, we should firmly foster the conviction and confidence that Heilongjiang has the conditions and ability to accelerate the process of reform and development. All members of the provincial government should treat economic development with a strong sense of responsibility, urgency, and crisis as well as make efforts to promote speed and efficiency.

Second, we should foster the concept of a common development of various economic sectors.

It has been proven in practice that with the unitary ownership and unitary economic sector, it is impossible for us to build a market economy, impossible to attain faster economic development, and impossible to create good economic quality and returns. In the guiding thought for development, we have to further break the bondage of the unitary planned economic system and unitary public ownership; let the state-owned and non-state-owned economies develop together; and should not make slight of, ignore, and restrict the development of the nonstate-owned economy. When we pursue development, we do not only mean to pursue the development of the economic scale, but should also pursue quality, economic return, and the development of all economic sectors, which is what we really mean by comprehensive development. Presently, the collective economy, township enterprises, neighborhood economy, technology enterprises run by the people, individual economy, private economy, and foreign-funded economy are all compatible with the market economy system; they are full of vitality and have great growth potential. An important factor contributing to the low rate of our economic growth is that the development of these economies is stagnant, while new economic growth points and superiority have not yet formed. Henceforth, when we do a

good job on the main battlefield—comprising the state-owned economy, whose mainstay is large and medium enterprises, and large-scale agriculture—we should then open a “second battlefield” of economic development to boldly develop the nonstate-owned economy with confidence. Seeing as our current task is to accelerate development, we should develop the various economic sectors as fast as possible and impose no limitations on their proportion, scale, and speed. To accomplish this, we must have the pioneering spirit as Comrade Xiaoping said. Without this spirit, we cannot rid ourselves of the influence of a planned economy. The government and its subordinate departments should take the “three advantages” as the standard to judge the rights and wrongs as well as the result of work. We should go all out to do whatever conforms to the standard of the “three advantages.”

Third, we should foster the concept of simultaneously contributing to the state while developing ourselves.

Being a province rich in resources and possessing an old industrial base, for many years we have provided a large amount of petroleum, grains, timber, coal, and mechanical and electrical products to the state. Also, under the planned economy we provided the state with accumulated funds. We can say without qualms that we have made tremendous contributions to the state. However, because of such factors as policies and systems, our local economic development has been slow for many years. Therefore, we should study and clarify the ways of contributing to the state. We may hold that exporting raw materials is one way of contributing to the state, and that providing the state with finely processed products is another. Especially being a large province safeguarding the border, we should promote our economy as soon as possible, raise our economic strength and the standard of living of the people, and achieve the goal of strengthening the border and making people rich. This is the greatest contribution we can make to the state. In a certain sense, the latter contribution is more important. From now on, we should arrange our work based on this understanding, and make the most fundamental contribution to the state by constructing a rich and strong border province.

Fourth, we should foster the concepts of keeping an eye on ourselves and striving to be stronger.

A good external environment is needed for any locality or trade to accelerate development. Without question, this requires the necessary support and aid from the state and from higher departments; we should strive for it by all means hereafter. However, the most fundamental aspect is reliance on our own efforts. Judging from our province, we cannot totally depend on support and aid from the state to solve the problems and difficulties in economic development. For example, a large batch of projects planned by us requires nearly 100 billion yuan. Can the state afford such a large sum? In another example, plenty of technological transformation projects

have yet to be carried out, and more than 100 billion yuan is needed to complete these projects. Can the state afford this? Fiscal and tax reform requires implementation of the transfer payment system, but currently this is still beyond what the central financial authorities can afford. It will take time for the central authorities to be able to support local construction. To resolve the fundamental, long-term issue of development, we should depend on ourselves; like people usually say, “only we can make our dream come true.” It is imperative for us to place development on the same level as keeping an eye on ourselves and striving to be stronger. Enterprises in particular should definitely tap their inner potential, extensively change mechanisms, improve themselves, promote management, improve the leading body, increase efficiency, and take the road of development by upgrading technology and management.

To keep an eye on ourselves, we need to conscientiously sum up our development experiences. In recent years throughout the province, many typical experiences have sprung up of enlivening state-owned enterprises, cultivating new economic growth, exploiting resources in depth, and developing the export-oriented economy. As long as we sum up, induce, and extract these experiences and ways, we can find and form the ways to extricate ourselves from our difficult economic position and accelerate economic development. All localities and departments should do a good job in this respect and make our own typical examples known and popularized.

Fifth, we should foster the concept of employing the ways and means of the market economy to perform the government's duty.

The core issue that needs to be resolved is: the government and its departments should not organize and manage the socialist market economy by employing the ways and means of a planned economy. Presently, with the thoroughgoing implementation of the reform of the economic system, the economic function of the government has somehow changed; the entire macro management pattern is being transformed from a planned system to a socialist market economic system, although the transformation is not yet finished. Some enterprises' microeconomic activities are still under the direct control of the government, and all production factors are to some degree still in the hands of the various government departments. In this situation, on the one hand the government should actively conduct organizational reform and transformation, achieve the goal of separating government administration from enterprise management, and hand over to the market the things that can be done by the market. We should especially reduce interference with the microeconomic activities of enterprises, and should transform ourselves to devote most of our efforts to creating a good external environment for enterprises. On the other hand, we should also keep in mind the real situation in which the market has not fully developed and the transformation of the government's function has not accomplished; should attach importance to the difficulties and problems appearing in

enterprises' production and management; and should do our best to take active measures to help enterprises resolve them. We should by no means hold all power in our hands while pushing out enterprises without paying attention to them. During the transition from a planned economy system to a market economy system, governments at all levels, departments in charge of overall economic work, departments in charge of economic levers, and departments in charge of enterprises should persist in going deeply down to the grass roots and enterprises to realize the problems that enterprises face, help them analyze the causes and sort the way out, find out the measure to resolve problems, and help enterprises strengthen step-by-step the ability to accumulate funds and develop on the road to a market economy system.

To emancipate the mind, we should keep the reality in view instead of indulging in empty talk, speaking insincerely, and talking frivolously. We should employ the thoughts and measures of a socialist market economy to resolve the problems in reform and development. Everybody is the mainstay in emancipating the mind, and emancipating the mind is the common task of the whole society. To form the general circumstances for emancipating the mind in the whole society, every level, every department, and every locality should carry out the task of emancipating the mind without exception. But in terms of the position and function of the personnel who constitute the government, it is imperative for us to take the lead in emancipating the mind. Only in this way can we mobilize people in the whole province to use their brains to study the issue together, break the bondage of the old system and old concepts, and speed up development.

## 2. The Issue of Considering the Overall Situation

Whether the reform and economic development of Heilongjiang can be accelerated is not only determined by the extent of mind emancipation of the upper and lower levels in the whole province, but it is also determined by whether all the localities and departments can keep the cardinal principles in mind and take the overall situation into account, firmly implement the ideas for development put forward by the provincial party committee and government and the general task, and attain a breakthrough.

At present, what is our general task? The general task is to fulfill the guideline of "grasping the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability" set forth by the party Central Committee and the State Council, and we should make every effort to improve the economy of our province.

All localities and all departments should conform to and provide service to the general task, decide on the working plans of their own localities and departments while keeping the general situation of the whole province in view, spot correctly their own positions in the overall

situation, and handle properly the relationship between the partial and the overall interests. We should clearly understand that no localities and no departments are allowed to neglect and even harm the general task when emphasizing their special positions, functions, circumstances, and profits. All the people, as long as they are on the land of Heilongjiang, should exert themselves for the reform and development of Heilongjiang, and should all be responsible for the reform and development of Heilongjiang. It is necessary to oppose and eliminate the thoughts and behaviors that affect and hinder the development of a socialist market economy, such as erecting barriers between different localities, different departments, and different trades. We should integrate the development of our own localities and departments with the development of the whole province and develop ourselves in the process of conforming to and providing service to the general task.

It is imperative to safeguard the unity and sanctity of government decree. In the circumstance of a market economy, the function of the government is irreplaceable in resolving the issues concerning the external environment for economic development and in resolving some conspicuous contradictions that restrict and affect reform, development, and stability. Using the relations between the higher- and lower-level departments and the powers entrusted by laws, the government should urge the public and lower-level departments to abide by its orders and decisions. Only in this way can it pool the efforts of all quarters to solve some major and pressing problems in economic and social development. Failing to maintain the unity of government decrees particularly at a difficult time, it is impossible for the government to remain authoritative and solve problems. As Comrade Deng Xiaoping said: With this authority in hand, we are able to do a big job even though we have difficulties. Therefore, we must ensure the integration and effectiveness of government orders and centralize rights that deserve to be centralized to enable the government to better perform its duties. In order to achieve the integration of government orders, first, the general personnel of the provincial people's government should set an example in this regard. Vice governors must be responsible for the whole situation, though their work is different. By no means should they become a representative for a certain front or circle. Vice governors should enhance the linking work among them and do a good job in coordination. In bringing the decided issues into line, vice governors should proceed from the province's whole situation and various departments must abide by them. Policies and measures relating to the province's whole situation in economic development must be formulated in a unified and coordinated way by the provincial party committee and the provincial people's government. In line with the fundamental policies formulated by the provincial party committee and the provincial people's government, various departments should put forward specific plans and opinions on implementing or enforcing them. They are not allowed to issue arbitrary

policies, measures, and regulations that go against those formulated by the provincial party committee and the provincial people's government and to act on their own. Commissions, offices, departments, and bureaus are component organs of the provincial people's government and should do things in line with the unified government orders. By no means should they take a partial interest against the whole. Particularly, when readjusting the interest relations among various circles in the course of conducting reform, they are not allowed to inadequately stress their partial work; to ask the whole to abide by the interests of the few; and even to try to refuse or delay the implementation of the government decision when their partial interest has been adversely affected. They should consciously safeguard the government authority. Departments under the government and their working personnel should strictly and impartially conduct their work and enforce the discipline and strictly implement the responsibility system among administrative leaders. By no means should the lower unit negate their higher authorities at will and make use of the opinions of their higher department responsible for the work to bring pressure to the local government. Departments under the double jurisdictions of "higher organs" and "local government" should correctly deal with the relations between the organ and government and be good at adequately and flexibly utilizing the relevant policies and regulations of "higher organs" to support local economic development. All departments must earnestly implement the important policy decisions and measures issued by the provincial people's government with regard to local economic development.

Departments under the government should strictly implement the government rules of debate and the procedures of doing things and handling documents. Prior to making important policy decisions and arrangements, leaders and organs in charge of making policy decisions should fully listen to the opinions and suggestions of various departments. They should avoid and reduce the limitations and blindness in making policy decisions by carrying out thorough investigation and study as well as careful appraisal to enable the policy decisions to have a more extensive foundation and to be more convenient in being enforced and implemented. The lower units and departments in charge of enforcing the policy decisions should actively join in the informal mass discussion on these decisions. They must dispatch their personnel in line with the demands to attend the meetings with the participation of personnel from the departments assigned by the provincial people's government. They must voice the opinions of their own department at meetings. By no means should they go through the motions by dispatching irrelevant personnel and personnel unable to be responsible for the discussion to the meetings. What is particularly to be defined is that in line with the procedure, the provincial people's government should be responsible for the provincial party committee in this regard and departments under the provincial people's government should be responsible

for the provincial people's government. As for important issues having a bearing on the whole situation, the provincial people's government should ask the provincial party committee for instruction and report to them. The provincial people's government can hold discussions and make all policy decisions that deserve to be made independently by the government. Things that deserve to be reported to the provincial people's government must be reported to it. Those that do not deserve to be reported should not be reported to the government arbitrarily so as to prevent the practice in which units have consciously or unconsciously disturbed the working procedure of the government. Departments and, particularly, retired staffers should join in the discussion of political affairs, do official things, and handle the documents strictly according to the procedure to ensure the orderly operation of the government system.

We should further strengthen the unity among all levels of leading bodies and all departments of the provincial government. We all have experienced that wherever the work was done in a good manner, its leading bodies are certainly united and combat worthy. If a locality or a department always indulges in disunity and unprincipled dispute, in which, some persons work while others pick faults, and some persons themselves do not work but also prevent others from working, how can it engage in work wholeheartedly? So far as the provincial government is concerned, governor, vice governors, and all other members should all take the lead in strengthening unity in order to mobilize the whole province to unite as one and struggle together. The whole province should actually think of one thing and struggle for one thing in order to effect a new progress in the work of the whole province.

### 3. The Issue on Coordinated Action

To better concentrate efforts on resolving conspicuous contradictions and major problems that hamper the province's economic and social development, we need the close cooperation and all-out coordination of the governments from higher to lower levels.

Higher and lower levels of governments should support each other. First, all departments must hold responsibility for the provincial government. The problems that should be resolved by departments should never be shifted onto the provincial government. The issues concerning policy decisions that have already been decided by the provincial government should not be opposed by departments no matter what the original opinions might be. We should still less spread the different opinions emerged in the process of government policy making to grass-roots areas or pertinent fields. In the process of reform and development, all government departments and all government functionaries should offer good ideas for leaders and should think of problems and offer suggestions by proceeding from the overall situation in order to help leaders make correct determinations and policy decisions. Under the current situation characterized by various kinds of intricate contradictions and

numerous unstable factors, localities and departments should make great efforts to nip all kinds of problems at the grass-roots units in the bud. All departments and all levels should strive to fulfill their work tasks according to their functions in order to attain the goal of each attending to his own duty, each assume responsibility for his own affairs, and each display his ability. Of course, leaders of the provincial government, including governor and vice governors, should support the work of various departments. The provincial government will strive to create a good environment and a good condition for the work of all departments. When departments have problems, leaders of the provincial government will try their best to help them resolve problems. As for the mistakes that emerged in the course of reform and development, the provincial government will assume responsibility for them and resolutely protect the initiative of various departments.

Every department should closely cooperate with the other. Although the duties assigned to different departments of the provincial government differ, all departments are the organic component part of the machine of the government. Only when all departments closely cooperate with each other and go into coordinated action under the same orientation and goal, the overall function of the provincial government can be brought into full play. For instance, in the light of the weakness in township and town enterprises, district and neighborhood enterprises, the people-run scientific and technological enterprises, individual and private sectors of the economy, and the economy of foreign investment of the province, the provincial government have set forth the task of accelerating the development of the nonstate-owned economy and striving to cultivate new economic growth points. Then, this is not a task that can be fulfilled by a certain department independently, but is a common task of all general economic departments, the departments as an economic lever, and the departments in charge of the economy. If the development of town and township enterprises is regarded as a matter for the bureaus in charge of town and township enterprises; the development of the private and individual sectors of the economy, a matter for the industrial and commercial bureaus; and the development of the nongovernmental scientific and technological enterprises, a matter for the scientific and technological commissions; other departments will neither work in cooperation with nor give assistance to the development of these enterprises and these sectors of the economy, and even create difficulties, set up several barriers, refuse to offer capital and skilled persons and to issue certificates of approval for running enterprises; and there will be prohibitions on developing this or that trade and rushing into the restricted zones; and we will fundamentally have no ways for realizing the tasks for development as set forth by the provincial party committee and the provincial government. In reality, it is normal and unavoidable that the departments have this or that kind of contradiction as well as different and even contradictory opinions and

views on certain issues when serving the province's reform and development. The problems are that some departments cannot proceed from the overall objective to solve problems and handle contradictions and that instead of stressing cooperation, departments are used to and good at shifting responsibilities onto others. Due to the fact that departments shift the responsibility of handling the affairs that should be done by themselves onto others, a thing is pushed on to two or several departments and cannot be solved for a long period of time. Some departments know clearly that the things are related to several departments, but insist on issuing documents themselves. Then, the other departments concerned issue contradictory documents. Therefore, the things of working out tit-for-tat policies and of arguing through documents occur frequently. Some departments adopt various means to engage in the things from which they can gain benefits, all want to involve in other's affairs, and neither is willing to give ground. Thus, a situation of confrontation with each other will emerge. We advocate that departments should actively consult with one another. So long as both sides and departments concerned have the sincerity to solve problems, proceed from doing what is conducive to solving problems, seek great harmony, allow the existence of fewer objections, and understand and accommodate one another will they be able to have identical views and achieve cooperation under the great objective.

It is necessary to strengthen coordination. Along with the change from the planned economic system to the new market economic system, the old benefit distribution pattern has been readjusted and the governments have noticeably enhanced their coordination work. We should realistically pay attention to and strengthen coordination and bring into full play all comprehensive departments' functions for coordination. The contradictions and problems that cannot be resolved by the departments themselves should be resolved by the comprehensive departments. We must not lay aside the problems that should be solved for fear of being behind the times and causing delay in work. The problems that cannot coordinately be solved by the comprehensive departments should coordinately be solved by deputy secretary generals and secretary general of the provincial government, assistants to governors, and vice governors. The major problems that should be coordinated under the sponsorship of the provincial government should be submitted according to regulations and procedures, but must not be solved cooperatively by the departments concerned. From now on, we are not willing to see that in the course of making coordination and signing documents at meetings, departments get entangled in laying undue stress on the partial interests of their own departments, fronts, and units. That "10 thousand people must not open the pass when a man guards it" does not work.

I believe as long as the departments under the governments are able to adopt a positive and active attitude and a spirit of mutual understanding and mutual accommodation in handling the relationship between the left and

the right the problems due to the shifting of responsibility onto others will be reduced, a new practice of being united and cooperative will be formed, and the governments will be able to bring their overall functions into better play.

#### 4. The Issue on Honest and Diligent Administration

Whether all government members are clean and self-disciplined and are diligent in administration is a matter decisively affecting the image of the provincial government and its functions as a whole. Under the current situation in which the provincial government has to shoulder heavy tasks, each and every government member should be clean and honest, diligent in administration, and practical-minded.

Only a clean and honest government can win trust and support from the masses, and can have cohesion and authority. All provincial government members should regard keeping oneself clean and self-discipline as a bounded duty, serve as good examples, take the lead in making comparisons and checkups in line with the "stipulations on keeping oneself clean and self-disciplined," which the party Central Committee has given to leading cadres, and set strict demands for themselves. Under the situation in which the masses have expressed strong comments and criticism on the corrupt phenomena and all sorts of unhealthy trends, we should win the masses' trust and support with our own honest conduct. As far as the provincial government leading members are concerned, keeping themselves clean is a right thing to do, and this is an act deserving praise. However, in the case of leading cadres, this is only the minimum requirement of building a clean government. We must also attend to the work of fighting corruption and promoting administrative honesty in all government subordinate departments and realistically check all kinds of unhealthy trends. Since the beginning of this year, we have relentlessly grasped the work of straightening out unhealthy trends in line with the plans and demands of the party Central Committee and the State Council; made special efforts to screen the problems on arbitrarily collecting funds and travelling abroad with public funds, on party and government organs' participation in doing business, running enterprises, and buying cars, on leading cadres' housing, and on government functionaries' misappropriation and delay of payment of enterprise funds and articles; and achieved definite results in this aspect. However, the degree of solving the problems is still far from meeting the demands of the party Central Committee and the State Council, and the desire of the masses of people. The problems that some key departments and trades abused their power to seek personal gain or to exert money or things from enterprises or peasants to aggravate their burdens have not been fundamentally resolved. Particularly, some departments with real power have failed to serve the grass-roots units. They tried by all possible means to obtain benefits for their own departments or themselves. This has affected not only economic development but also damaged the image of the government.

Facts that merit our particular attention were that leading comrades of some departments failed to understand fully the seriousness and harmfulness of the unhealthy trends in their own departments and trades and always held that the problems in their departments were not so important. This thinking was in great contrast to that of the masses of people. Furthermore, a small number of departments and units failed to exert efforts to grasp the special screening campaign. They grasped this work generally and failed to touch some in-depth problems and to promptly straighten out some difficult problems that had been exposed. These ideological problems and the problems in their understanding and work must be realistically solved. All provincial government members must realistically attend to the work of fighting corruption and promoting honesty, exert special efforts to manage their own departments and trades well, really assume responsibility in this aspect, and strive to remarkably improve the common practices of the government.

The people have demanded that we not only keep ourselves clean and self-disciplined, but also perform our administrative work diligently for the sake of the people. As a leading cadre, it is right for him to keep himself clean and self-disciplined. However, if he never think things over and never manage things well, he is not a competent and qualified leader. There are many difficulties and problems facing the whole province's reform, development, and stability work. All comrades present here should ponder and grasp the major affairs with the spirit of feeling uneasy even when eating and sleeping. We should make efforts to extricate ourselves from unnecessary appointments for routine work, particularly welcome and farewell parties; concentrate more time and energy on studying and working out methods and measures for solving the prominent problems within our fronts and departments; do our best; fulfill our duties; and try every possible means to achieve the work that should be done. The leading comrades of the governments at various levels and all departments must pay attention to solving the problems that are related to the personal interests of the broad masses of the people; and persist in the practice of annually doing several good, practical, urgent, and difficult deeds that can benefit the majority of the people and that can produce impacts for a long period of time. Each and every comrade should have the awareness that at the crucial moment of reform and development, the cadres and the people across the province have placed great expectations on the government leaders. So, we cannot but work diligently to live up to the people's expectations and to satisfy the people's demands. Perhaps, our ability is limited or what we have done cannot satisfactorily help the masses solve their difficulties and problems. So long as we diligently and sincerely do what we should do, are diligent in performing official duties, actually show consideration for the grass roots, and show concern for the weal and woe of the people, will we be able to enjoy the support of the

people and to have the broad masses of the people work together with us with one heart and soul.

Under the circumstances of facing so many difficulties, we must have the confidence and determination to tide over temporary difficulties, as well as a good mental state, and still more have the work habit of doing solid work and taking a realistic approach to deal with concrete matters relating to work. To do solid work, we are required to grasp the work to the end and do our work in a down-to-earth manner, concentrate main energy on grasping the accomplishment of the work, firmly grasp the things that are proven accurate, and strive to make good results. We should think of and handle affairs, ask for real results, and avoid paying lip service and practicing formalism. We should make efforts to upgrade the work efficiency and work quality of the departments under the governments, do it as soon as we want to do, do our best to do our work well, and avoid being dilatory and perfunctory in doing things. We should do solid work to make real development and to bring real advantages to the people. We should go deep to the reality to study problems, sum up experiences from the practice of the grass roots and the masses, draw lessons, and find specific ideas and methods for solving problems, making a breakthrough in reform, and tackling difficulties. We should seek truth from facts in reflecting the situation, not cover up problems, not make false reports on achievements, and avoid distorting the facts or telling lies to pander to the tastes of the leaders. Now, a kind of practice merits our attention. That is, some people say different words in front of different people or on different occasions. To gain support, some people exaggerate problems and difficulties and overstate their difficulties. To unduly stress their political achievements, they make false reports, make fraudulent applications and claims, and exaggerate their achievements. In this way, the higher levels are often misguided to make wrong judgments. Leaders are cheated, losses are brought to undertakings, the people suffer losses, and those who make false reports are benefited. Therefore, the people from higher levels downward should ban this unhealthy practice.

If all members of the governments are able to emancipate the mind, take the overall situation into consideration, work in coordination with one another, be honest and diligent in performing their official duties, do solid work, and fulfill their own duties we will certainly be able to unite with and guide all people of the province to better fulfill the tasks for "grasping favorable opportunities, deepening reform, expanding the scale of opening up, promoting development, and maintaining stability" and well handle the affairs of Heilongjiang.

#### **Heilongjiang Holds Meeting on Private Economy**

SK2408085094 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 22 Aug 94

[Text] At the provincial work conference on individual and private economies and on the tertiary industry held

in Daqing today, Vice Governor Wang Zhongzhang pointed out: It is necessary to further emancipate the mind, improve the train of thought in work, and regard the development of nonstate sectors of the economy, including the individual and private sectors of the economy and tertiary industry, as the breakthrough point and main target in opening up the second battlefield, and grasp them realistically and successfully until good results are achieved.

Wang Zhongzhang said: During recent years, our province has developed the individual and private sectors of the economy and tertiary industry fairly rapidly. However, compared with the coastal provinces and cities, we still have a far way to do. The failure in emancipating thinking has restricted the development of the individual and private sectors of the economy and tertiary industry. Therefore, we should further understand the important significance of developing the individual and private sectors of the economy and the tertiary industry from the strategic high plane of establishing the socialist market economic system and opening up the second battlefield.

Wang Zhongzhang pointed out: Along with the deepening of reforms, our province's economy has encountered difficulties unheard of before. The rate of economic development has lagged behind the national average development rate. Judging from the present development rate, it is very difficult to attain the strategic objective of achieving a 300 percent increase. Therefore, we should further understand the provincial situation and improve the train of thought in various fields of work.

The development objectives for developing the individual and private sectors of the economy formulated by the conference are: This year, the number of individually run industrial and commercial units should reach 450,000, with 1.02 million workers; by 1995, we should strive to make the number of this kind of units reach 800,000, with 1.26 employees, showing an annual average increase of 26 percent and 23.5 percent respectively. The number of private enterprises should reach 5,000, with 57,000 employees; by 1995, we should strive to make this figure reach 7,000, showing an annual average increase of 40 percent and 50 percent respectively [as heard]. The tax volume of the individual and private economic units should increase from 796 million yuan in 1993 to 1.3 billion yuan in 1995. To realize the aforementioned objective, Vice Governor Wang Zhongzhang stressed that we should strive to make fairly big breakthroughs in five aspects.

First, we should boldly sell barren hills, wastelands, waste beaches, waste grasslands, and waste water areas to individual industrial and commercial units and strive to broaden the development space of rural areas. Our province's rural areas are vast in territory with large tracts of undeveloped barren hills, waste mountain slopes, waste water areas, waste plains, and waste lands, and the contradictions of two surpluses in the rural areas

have remained very conspicuous. We should actively encourage individual and private businessmen and peasants to buy, rent, or contract the barren hills, waste mountain slopes, waste water areas, waste plains, and waste lands and provide development space for the individual and private sectors of the economy. Meanwhile, we should actively develop agricultural service industries during the entire course of production, vigorously develop precision and intensive processing industry of agricultural and sideline products and give priority to supporting special villages and major households engaged in crop cultivation and aquaculture.

Second, we should make full use of the opportunity of reforming the property right system to vigorously develop the individual and private sectors of the economy. The most effective way to realize reform of the property right system of small enterprises is to separate them and to contract, lease, and auction them off. It is necessary to encourage individual and private businessmen with favorable conditions to sell or rent small enterprises.

Third, we should actively encourage individual and private enterprises to develop toward the trend of economies of scale and the shareholding cooperative system, unceasingly enhance their grades and level, encourage individual and private businessmen to expand the business scale, encourage scientific and technical personnel, as well as individual and private businessmen, to rely on high and new technology to run new nongovernmental scientific and technological enterprises with high scientific and technological content, high added value, and a high rate of foreign exchange earning through exports, encourage individual and private business units and private enterprises to buy shares from state-owned and collective enterprises and to cooperate with them in an effort to form transownership economic associations and organizations.

Fourth, we should actively encourage individual and private businessmen to develop the export-oriented economy and enhance their ability to participate in market competition. All localities should encourage individual industrial and commercial units and private enterprises to do business outside the province and the country, support individual industrial and commercial units and private enterprises to cooperate with and to do business jointly with enterprises with the right to do border and foreign trades. They may do business in the form of buying shares or serving as agents on behalf of other people, or engage in the three forms of processing industry and compensation trade. Particularly, we should support those who rely on relatives to introduce funds and technology and those who come to our province to run three types of foreign-funded enterprises, and allow them to enjoy the policy of using foreign capital.

Fifth, we should mobilize and organize workers whose plants have suspended production to actively engage in

individual business in an effort to unceasingly expand the ranks of workers engaged in individual and private business.

To realize the development strategy of making the volume of added value of tertiary industry reach 1.98 million yuan by the end of this year, up 13 percent over last year; and reach 2.2 million yuan by 1995, Wang Zhongzhang pointed out: We should strengthen the building of communications and transport, as well as postal and telecommunications facilities, encourage individual, private, township-run, collective, and state-owned enterprises and the communications and shipping departments to actively engage in river transport business, enable Heilongjiang to realistically become a golden water transport system. It is necessary to accelerate the cultivation of market system and base on our province's resources, as well as the industrial and product advantages to build a number of modernized large and medium-sized markets of key products, including grains, animal by-products, coal, oil, garment, sugar, dairy products, machinery and electronic products, to serve the whole province and to influence the entire country. We should actively develop the tourist industry and accelerate the development of scientific and technological undertakings, as well as information and consulting service industries.

#### **Heilongjiang Plants Winter Wheat in Cold Northern Regions**

OW2508121694 Beijing XINHUA in English 1154  
GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—Winter wheat has been planted successfully in land between 43.25 and 46.36 latitude, known as a forbidden area for winter wheat in the world, announced north China's Heilongjiang Province.

It is said that land suitable for growing winter wheat has been extended northernward impressively, and a full stop has been put to the history when no winter wheat can be raised in Heilongjiang.

A group on the winter wheat, set up in 1988 in cooperation with the Chinese Academy of Agriculture, imported 267 portions of hardy winter-proof wheat from the United States, Japan, Canada and Russia, and planted them in eight farms.

Five years of experimentation has shown that 250 to 300 kg of winter wheat has been harvested on one mu (one fifteenth a hectare), 25 to 30 percent more than spring wheat.

And 100 to 150 yuan (11.76 to 17.6 U.S. dollars) in production costs can be saved on each hectare when winter wheat instead of spring wheat is planted.

Mudanjiang, the city where the experiment is being conducted in northern Heilongjiang, will expand the field of winter wheat from 3,000 mu to 30,000 mu (200 to 2,000 ha) this year.

**Strategy on Building, Developing Jilin Noted**

SK2608004294 Changchun JILIN RIBAO in Chinese 5  
Aug 94 pp 1, 4

[Text] In order to promote the implementation of the "outlines of the overall strategy for building a developed border province near the sea" in a down-to-earth manner, the provincial party committee and provincial government held a "report meeting on building a developed border province near the sea" at the auditorium of the provincial party committee on 4 August. He Zhukang, secretary of the provincial party committee, gave an important report on how to recognize and implement the development strategy of building a developed border province near the sea. The "report" is composed of three parts: First, we should recognize the connotation and meaning of the strategy of building a developed border province near the sea from a broader view; second, some priorities should be emphatically grasped while implementing the "outlines"; third, we should continuously emancipate the mind and successfully carry out the implementation of the "outlines."

Comrade He Zhukang put forward: Compared with the previous strategies, the main characteristics of the new strategy on building a developed border province near the sea are: The status of opening up has been upgraded, the limits of opening up has been enlarged, and the layer of opening up has been deepened as opening up to the outside world has become the strategic factor stimulating and influencing the situation as a whole and is playing a leading role. It is an intrinsic strategy guiding opening up. He pointed out that the building of a developed border province near the sea has a solid basis. In recent years, along with the termination of cold wars, there are some new and profound changes happening in the world situation. For instance, in the Northeast Asia region, a new move of seeking for more effective cultural exchanges has appeared, which is a turning point with great historical meaning in Northeast Asia. The complementary economic resources, the closeness in geography, and the similarity in culture will definitely make this place become a new and important international commercial and economic center. If we can grasp this opportunity and develop the border areas to reach the sea in an all-around manner, Jilin Province can economically become the border province near the sea, can enter the most forward position in China's opening up, and can participate in the central stage of the world's economy and commerce. Judging from the national situation, our country has entered the period of comprehensively developing opening up. These enormous changes in the international and national situations impel us to make great adjustments in the development strategy and put forward the new strategy of building a developed border province near the sea. Comrade He Zhukang pointed out: International cooperation in developing the areas on the lower reaches of Tumen Jiang has begun, therefore, we completely possess the feasibility of building a developed border province near the sea. It is advantageous to

each relevant country and area in Northeast Asia to develop jointly the areas on the lower reaches of Tumen Jiang. The development of Hunchun and the areas in the lower reaches of Tumen Jiang is becoming a regional "resonant point" for the world's economy. The implementation of this area's international cooperation and development has been the general trend; the UN Development Plan Program and the relevant international organizations have paid attention and given support to the development in the areas on the lower reaches of Tumen Jiang and the organizational and coordination work has achieved desired results. The development of areas in the lower reaches of Tumen Jiang will formally enter the implementation stage when all Northeast Asian countries join in the project in 1995. At present, bilateral and trilateral cooperation has made headway and large-scale international joint development in the Tumen Jiang is no longer a project for the future. Jilin Province is fully qualified to participate in international development in areas on the lower reaches of Tumen Jiang and can use this opportunity to accelerate development.

He Zhukang pointed out: The "outlines" should be regarded as a programmatic document for guiding a period's development in Jilin Province for some time to come so that it not only guides the overall situation, but is also quite workable. Hence, we should uphold the leading role of opening up and properly handle the relationship between opening up and reform; uphold the policy of making breakthroughs in key areas and correctly handle the relationship between taking the lead in development and overall development; adhere to the strategy of invigorating the province through science and technology and correctly handle the relationship between scientific and technological progress and strengthening management; and persist in regarding economic construction as a central task and properly handle the relationship between spiritual and material civilization construction. On the basis of conducting reform unremittingly, the development mechanism must promptly keep pace with the demands of export-oriented strategy. Therefore, on one hand, we should establish our own favorable status by using our comparative advantages in the international division of labor, and on the other hand, we should strive to form a new industrial group with comparative advantages. While handling the relationship between the breakthroughs in key areas and overall development, in terms of methods, we should pay attention to strengthening the construction of the market system, develop the economic and geographic relations among the regions and industries, and particularly, strengthen the progress of integrating the urban and rural economies. We should consciously cultivate those key areas and industries that are regarded as the growth areas, make them develop, and enable them to effect a good influence; but attention should be paid to industrial coordination while selecting and supporting the priorities. We should focus on the central task of raising

efficiency and make scientific and technological progress and the strengthening of management's promotion of each other.

We should regard economic construction as a central task unswervingly, but cannot just pay attention to economy. We should give consideration to cultural factors while carrying out social economic activities, particularly the whole process of enterprise production. Economic and enterprise policy makers must understand not only management and skills, but also culture. We should consciously use the new culture with Chinese characteristics to replenish and enrich the connotation of "development" and adhere to the policy of attaching equal importance to two tasks.

He Zhukang pointed out: We should continuously emancipate the mind and promote the implementation of the "outlines." We should establish the main ideology that is required for developing the socialist market economy and free ourselves from the mind of relying on the government and higher authorities. The leading cadres at all levels should regard the socialist enterprises with Chinese characteristics and vitalization of Jilin as their duties, closely rely upon the masses, and do good jobs in their responsible places and departments. The party members, cadres, and staffs and workers across the province should forge ahead and make great achievements in implementing the strategy on building a developed border province near the sea. We should establish the pioneering spirit of daring to be the first, the enterprising spirit of building enterprises through arduous efforts, and the confidence we should have.

He Zhukang pointed out: Our present task is to carry out the implementation of the "outlines" in a down-to-earth manner. The general requirements are that we should have unified understanding, firm confidence, and joint forces, and carry out our work creatively in line with the fundamental spirit and demands of the "outlines." The comprehensive and research departments should conscientiously grasp the situation so that the provincial party committee and government can get good advice. The cities, prefectures, and the economic responsible departments at all levels should successfully carry out the planning of the "outlines." The economic regulation and control departments such as finance, tax revenue, banking, and price departments should develop their regulatory functions and give play to their service and guaranteed role. The departments of science and technology and education should lead and support scientific and technical personnel to enter the main battlefield of economic construction and accelerate the training of large numbers of experienced workers and various kinds of professionals. The work of propagating ideology and culture should be concentrated for a period of time in an effort to completely and accurately propagate the basic guidelines of the "outlines" and specifically elaborate and explain the content of the "outlines." At the same time, we should add impetus to the work of promoting the people and masses across the province to further

emancipate the mind, renew concepts, and transform ideas. The organizational departments should pick the good and select the capable ones for building a developed border province near the sea. The scientific research and all academic units should give play to their advantages, and actively conduct academic research and discussions on developing the areas in the lower reaches of Tumen Jiang to build up a momentum. The Communist Youth League [CYL], the trade unions, and the women's federations should mobilize and organize the broad masses of CYL members, workers, and women of various circles to make contributions to the magnificent enterprise of building a developed border province near the sea. Gao Yan, deputy secretary of the provincial party committee and the provincial governor, presided over today's report meeting. He said: The report of Comrade Zhukang has observed the national and international big picture and the new trend of Northeast Asia's political and economic development; thoroughly expounded the forming basis, profound connotation, and the great meaning of building a developed border province near the sea; and put forward the explicit demand for implementing the "outlines of the overall strategy for building a developed border province near the sea." I hoped that after the meeting, the departments and units at all levels should conscientiously organize people to study and discuss Comrade He Zhukang's report, understand well and digest the rich content and basic guidelines of the report, strengthen confidence, and really form joint forces to implement the strategy until good results are achieved.

Attending today's report meeting were leading comrades of the provincial party committee, the provincial people's congress, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference, former provincial leading cadres, chairmen of various provincial-level democratic parties, the incumbent leaders of various departments directly under the province, mass organizations, and provincial-level institutions at all levels, retired cadres at and above the deputy director level of departments, and some cadres at and above the section chief level. Also attending were some cadres of Changchun city, and secretaries of the party committees and presidents of colleges and universities in Changchun.

#### **Jilin Capital To Become Economic, Trade Center**

OW2608023594 Beijing XINHUA in English 0200  
GMT 26 Aug 94

[Text] Changchun, August 26 (XINHUA)—This capital city of northeast China's Jilin Province is expected to become an economic and trade center in northeast Asia featuring automobile production and trade, according to a provincial government official.

The city, where the China No.1 Automobile Group Corporation is headquartered, aims at becoming the country's biggest automobile design and production

center as well as the biggest automobile manufacturer in northeast Asia in the next three decades.

To achieve the aim, the city will focus on the automobile industry with special emphasis on car and parts production with the China No.1 Automobile Group Company as its base.

The group company, one of the largest automobile manufacturers in China, produced more than 170,000 vehicles of various models, including Audi sedans, last year. It plans to manufacture one million vehicles annually in the coming years now that the country has issued preferential policies to promote the national automobile industry.

With the development of its automobile industry, the city will also concentrate on the promotion of the automobile trade. It will set up automobile and parts trade markets in the next few years for both spot and futures trade, and wholesale and retail sales.

An information market will also be set up in the city to help customers get the latest information about the world's automobile industry and automobile markets.

#### **Paper Reports Mortgages Surge Ahead in Shenyang**

*OW2608084594 Beijing XINHUA in English 0712 GMT 26 Aug 94*

[Text] Shenyang, August 26 (XINHUA)—Mortgage capital has reached a peak this year in Shenyang, capital city of north China's Liaoning Province, according to "ECONOMIC INFORMATION NEWS".

In about one year, banks paid a total 15.69 million yuan in mortgage loans for 60 enterprises, to make up 77 percent of total mortgage payments and mark an increase of 184 percent over the year 1992.

And the mortgage loans for individual businessmen hit 3.62 million yuan, more than twice that for 1992.

Shenyang Guangda Scientific Research Institute, for example, applied for mortgages totaling 300,000 yuan to buy raw materials. As a result, the institute has developed its project successfully and its products have won patent rights.

Means of production from enterprises, including houses, vehicles and production materials, were the basis for over 60 percent of the whole 20 million yuan in mortgages.

And most local residents have raised mortgages on electrical equipment and clothing.

#### **Shenyang Becomes Financial Center of Northeast**

*OW2608104994 Beijing XINHUA in English 0641 GMT 26 Aug 94*

[Text] Shenyang, August 26 (XINHUA)—Shenyang, the capital city of Liaoning Province, has become the financial center of northeast China.

In 1986 the first bonds market in the Chinese Mainland was set up in the city.

As one of the first cities to experiment with the shareholding system, Shenyang has carried out reforms among its medium and small enterprises since 1982. In 1985, Shenyang again pushed the move in large state-owned enterprises.

Now, 73 joint stock companies with a registered capital of 6.5 billion yuan have been formed.

Last year, the Huachen-Goldencup stock from the city was listed on the New York Stock Exchange.

This year, the Northeast China Power Transmission and Transforming Company will soon be listed on the Hong Kong Stock Exchange.

This shows that Shenyang joint-stock companies have entered the international markets.

People here can easily buy stocks on the Shanghai and Shenzhen stock exchanges with convenient telecommunication links. Share-holders in Shenyang now number 150,000.

The bonds market in Shenyang, having 56 members from the city and other areas, handles securities worth a total of 4 billion yuan.

Meanwhile, asset assessing centers, accountant offices and law offices have also been set up.

Rules and regulations have also been issued by the city government to help promote the bonds market.

### **Northwest Region**

#### **Qinghai Province To Produce Pollution-Free Foods**

*OW2608111194 Beijing XINHUA in English 0817 GMT 26 Aug 94*

[Text] Xining, August 26 (XINHUA)—A pollution-free food managing office in northwest China's Qinghai Province was set up yesterday, indicating that the pollution-free food project has started on the Qinghai-Tibet plateau.

Pollution-free foods, meaning nutritious food from crops grown without the use of chemicals, are in vogue around the world.

The Qinghai-Tibet plateau is considered one of the best bases for growing such foods because of its fine natural conditions.

Qinghai Province, located in the northeastern part of the Qinghai-Tibet plateau, is already producing such foods such as Chinese prickly ash, honey, and mushroom.

The development and processing of the pollution-free foods have been listed as a priority task in the province. Five to ten different types of such foods are expected to be produced this year.

Meanwhile, protection areas, where only such foods can be produced, will be established.

China began developing pollution-free foods in 1993. So far, 181 bases for such foods have been set up and nearly 400 kinds of such foods have been produced all across China.

#### **Separate State, Local Tax Bureaus Set Up in Shaanxi**

HK2608101194 Xian SHAANXI RIBAO in Chinese 16 Aug 94 p 1

[By staff reporter Chao Yang (2513 7122): "Shaanxi Provincial State and Local Tax Bureaus Set Up"]

[Text] To promote the in-depth development of tax system reform, the Shaanxi Provincial State and Local Tax Bureaus were officially set up on 15 August, in accordance with the state's unified arrangements. At the inaugural meeting, Zhi Yimin, standing committee member and deputy secretary of the provincial party committee, and Vice Governor Wang Shuangxi put up and inaugurated the brass plates of the two tax organs, and made important speeches. On behalf of the State Administration of Taxation, the provincial party committee, and the provincial government, Liu Kuichu, standing committee member and head of the organization department of the provincial party committee, announced the appointments of the leading bodies of the two organs. Setting up two sets of tax organs is a major state decision. It is aimed fundamentally at further enforcing tax collection and management, arousing the enthusiasm of the central and local authorities, and ensuring state revenue.

At the meeting, Vice Governor Wang Shuangxi first affirmed Shaanxi's achievements in taxation work, then said: While continuously improving and deepening tax system reform, the state and local tax bureaus in our

province should vigorously cultivate financial and tax sources, conscientiously step up control over and management of important tax sources, and firmly grasp the work of collecting taxes from individual commerce and collecting personal income tax so as to ensure the fulfillment of the tax collection task this year. He called for the completion of the work of setting up two sets of organs at the prefectural and city levels by the end of August, and in all parts of the province by the end of September. He hoped that the two taxation departments would strengthen coordination, work in close cooperation, support each other, and go forward hand-in-hand.

In his speech, Deputy Secretary Zhi Yimin pointed out: With the in-depth development of the fiscal and tax system reform, and the establishment of the two sets of tax organs, taxation departments will face a new situation and new tasks. Therefore, they should make concerted efforts, study new developments, and solve new problems. While paying attention to the establishment of organs, they should do a good and conscientious job in cadre building, and make new contributions to consolidating and developing the operation of the new tax system. With regard to rectifying tax order and administering tax according to the law, Zhi Yimin stressed: The crimes committed with the use of special value-added tax invoices are very acute. The struggle against such crimes has a bearing on the success or failure of the tax system reform. For this reason, the tax organs should constantly raise their tax collection and management level by standardizing the system and stepping up management. Meanwhile, public security organs, procuratorial organs, and people's courts throughout the province should work in close coordination with the tax organs; crack down hard on criminals who evade or resist paying taxes, and who steal, forge, or speculate in invoices; and resolutely curb this criminal tendency.

Zhang Zhongding, deputy secretary general of the general office of the provincial government; Luo Siqun, head of the Shaanxi Provincial State Tax Bureau; and Zhao Dequan, head of the Shaanxi Provincial Local Tax Bureau, also spoke at the meeting.

Messages of congratulations from the State Administration of Taxation and from tax organs in other provinces also were read out at the meeting.

**Taiwan Investment Promotes Economic Growth in Fujian**

OW2608065294 Beijing XINHUA in English 0613  
GMT 26 Aug 94

[Text] Fuzhou, August 26 (XINHUA)—The four investment zones for Taiwan investors in Fujian Province, east China, have taken shape after five years of construction, and Taiwan investment has helped promote Fujian's economic growth.

According to local officials, these four zones have approved more than 400 Taiwan-funded businesses with a total contracted investment of 2 billion U.S. dollars. So far, 600 million U.S. dollars from Taiwan investors have been used.

Covering an area of 100 square kilometers, the Haichang Investment Zone for Taiwan investors in Xiamen, one of the four special economic zones, is the largest of its kind in the Chinese mainland. The provincial government has put 430 million yuan into the construction of its infrastructures. A large number of projects involving Taiwan investment are settling down in the zone.

With a space of 1.8 square kilometers, the Mawei Investment Zone for Taiwan investors in Fuzhou, capital of Fujian Province, is the closest to Taiwan's Keelung Port. After five years' construction, it's regarded by Taiwan industrial and commerce circles as a place of massive potential.

At present more than 80 Taiwan-funded enterprises in the zone are operational, which have produced an accumulated output value of 1.7 billion yuan.

In the Xinling Investment Zone in Xiamen, Taiwan companies have added 30 million U.S. dollars in additional investment since last year.

With a fine cultural tradition and convenient communication facilities, the Jimei Investment Zone in Xiamen will be developed into an export-oriented industrial garden and a tourist resort. By the end of May this year, this zone had attracted more than 100 Taiwan-funded enterprises with a total investment of 150 million U.S. dollars.

**Li Lanqing Calls For More Social Sciences Exchanges**

OW2508164894 Beijing XINHUA in English 1447  
GMT 25 Aug 94

[Text] Beijing, August 25 (XINHUA)—Chinese Vice-Premier Li Lanqing said here today that exchanges in the area of natural sciences has been going on across the

Taiwan Strait, and he hoped that such exchanges will also be conducted dealing with social sciences.

He made these remarks during a meeting with the scholars from both sides of the Taiwan Straits who are here to attend a seminar on Chinese modernization.

Li said that the strengthening of academic exchanges will help increase mutual understanding and enhance cooperation between the two sides.

It is the second such seminar. The first one was held in Taipei in August of last year.

During the two seminars, wide-ranging and in-depth discussions have been held concerning six topics, including the modernization of family, society, education, economy, nationals and management.

**Mainland, Taiwan Group To Make Film on Nanjing Massacre**

OW2608032994 Beijing XINHUA in English 0220  
GMT 26 Aug 94

[Text] Changchun, August 26 (XINHUA)—The two sides of the Taiwan strait are going to make a film about the 1937 massacre in Nanjing by invading Japanese troops, according to an agreement signed at the ongoing China Changchun Film Festival.

The Beijing-based China cooperative film production company and its partner, the Taiwan-based Long Hsiang Film Production Co. Ltd, will join hands in making the film entitled "Nanjing Massacre".

The film, funded by the Taiwan production company, will recapture the massacre that occurred in December 1937 in Nanjing, the capital city of east China's Jiangsu Province, during which 300,000 civilians were killed by the invading Japanese troops.

The two producers will start to shoot the film this October, and plan to finish by next March. It will be directed by Wu Ziniu from the mainland, who won Silver Bear Award at the Berlin International Film Festival in 1989.

Leading actors and actresses from Japan and the United States will join their counterparts from China's mainland and Taiwan in the film, sources said.

The Nanjing Film Studio has also made a film on the same event.

### **Kuomintang To Reshuffle Policy-Making Body**

*OW2508143194 Taipei CNA in English 1255 GMT 25 Aug 94*

[By Bear Lee]

[Text] Taipei, Aug. 25 (CNA)—The ruling Kuomintang is expected to reshuffle its policy-making central standing committee at a meeting scheduled to begin Friday [26 Aug] here in Taipei.

The committee now has 31 members. Fifteen members were appointed by KMT Chairman Li Teng-hui and the remaining 16 elected by the members of the KMT's central committee.

Except for Shih Chi-yang, who has been named Judicial Yuan president, the remaining 14 incumbent appointed members of the central standing committee are expected to retain their seats.

Shih has said he will resign his seat in an effort to keep judicial operations more "independent". His vacancy is expected to be filled by former Defense Minister Sung Chang-chih.

All the seats for elected members will be up for grabs, however. Of the current elected members, KMT Deputy Secretaries-General Hsieh Shen-shan and Jeanne Li are expected to yield their seats to leading figures from the industrial and business sectors, according to sources close to the committee.

Nearly 700 members of the central committee, central advisory committee and ranking party cadres will attend the two-day meeting.

In addition to the reshuffle, the participants will also work out action plans to win the year-end Taiwan gubernatorial and Taipei and kaohsiung mayoral elections.

### **President Li Sends Message To Freedom, Democracy Conference**

*OW2508140394 Taipei CNA in English 1323 GMT 25 Aug 94*

[By Victor Lai]

[Text] Tokyo, Aug. 25 (CNA)—The 40th conference of the Asian Pacific League for Freedom and Democracy (APLFD) opened in Tokyo on Thursday [25 Aug] with the participation of more than 100 delegates from some 20 member countries.

The congratulatory message by Republic of China [ROC] President Li Teng-hui was read at the opening ceremony by Lin Chin-ching, representative of the Taipei Economic and Cultural Representative Office in Japan.

As a member of the Asia-Pacific community, President Li said, Taiwan will fulfill its international responsibilities and contribute to the enhancement of regional freedom, democracy and prosperity.

He pledged Taipei's support for the APLFD movement to promote international friendship and set up a multi-lateral cooperation mechanism in the Asia-Pacific region.

Political leaders from Fiji, Bangladesh, the Philippines and Australia also sent congratulatory messages to the conference. The guest speakers on the opening day included Chao Tze-chi, president of the World League for Freedom and Democracy, and former Japanese Transport Minister Shinji Sato.

During the three-day conference, the participants will exchange views on the theme of "strengthening cooperation and partnership relations among Asia-Pacific countries."

Three workshops are to be held, with the topics of "regional prosperity and security cooperation," "United Nations and Asia," and "democracy and human rights."

### **Mainland Relatives Arrive To Claim Fishermen's Bodies**

*OW2508142794 Taipei CNA in English 1315 GMT 25 Aug 94*

[By Debbie Kuo]

[Text] Taipei, Aug. 25 (CNA)—Families of the 10 mainland fishermen who drowned off the Taiwan coast in a "floating hotel" more than a month ago near Suao harbor during a typhoon arrived in Taiwan on Thursday [25 Aug].

The family members, accompanied by nine mainland journalists, proceeded directly after their arrival to Suao, where they viewed the bodies of the deceased fishermen at Veterans General Hospital.

Lin Gui-mei, a legal consultant with the Straits Exchange Foundation [SEF], said the SEF will do its utmost to meet the needs of the mainland relatives during their stay in Taiwan.

The families turned down a compensation offer of U.S.\$2,000 for each of the fishermen killed, offered by the owner of the "Shang Hao No. 3," the "floating hotel" on which the fishermen perished. They said they would formally discuss the matter later.

Chang Hsi-ming, the owner of the "Shang Hao No. 3," did not show up to meet the relatives Thursday evening.

The SEF, an intermediary organization authorized by the government to handle cross-strait exchanges, will make no decisions concerning compensation or on how the fishermen's bodies will be repatriated, Lin said. It will, however, try to respect the needs of the mainland relatives as much as possible, she added.

Lin said she hopes that Chang and the owners of the fishing boats on which the mainland fishermen worked illegally will make reasonable compensation offers.

The mainland relatives jointly issued a statement upon their arrival at Chiang Kai-shek international airport, expressing their sadness and dissatisfaction with Taiwan's "inhumane treatment of mainland fishermen and irrational handling of their visit."

They complained about Taiwan's dilatory actions in processing their Taiwan entry papers, which caused them to wait for more than 20 days in Hangzhou before they could head for Taiwan.

SEF officials said, however, that mainland authorities were to blame for the delayed entry. In fact, they said, all the mainland relatives and journalists were given preferential treatment for quick entry because of the circumstances of the case.

The relatives' delayed departure from the mainland was because of the delayed response from mainland authorities concerning the identity of the members of the mainland group, the officials said.

It took the mainland side more than one week to respond to the SEF about the legitimacy of two members of the mainland group, they added.

They said one "reporter" named on the mainland group name list was actually a public security officer, while a listed "relative" was actually a reporter, SEF officials said.

SEF Deputy Secretary-General Hsu Hui-you, heading a six-member SEF working group, will meet the mainland group this evening in Suao.

The Suao Fishermen's Association, which is working with the SEF to meet the needs of the Mainland Chinese family members during their stay in Taiwan, said that during their five-day stay in Suao, the mainland relatives will identify the bodies, inspect the site of the accident, and hear an SEF briefing on the accident.

#### **Official Says Taipei, Tokyo To Sign Aviation Pact Amendment**

*OW2508141194 Taipei CNA in English 1318 GMT 25 Aug 94*

[By Victor Lai]

[Text] Tokyo, Aug. 25 (CNA)—An official with the Taipei Economic and Cultural Representative Office in Japan confirmed on Thursday [25 Aug] that an amendment to the 1975 aviation agreement between Taiwan and Japan will be signed in Taipei next Tuesday.

Under the amendment, Taiwan's Eva Airways and Japan's Air Nippon Co., a subsidiary of All Nippon Airways, will be allowed to open services on the Taiwan-Fukuoka route.

In consideration of Tokyo's relations with Beijing, the Japanese side won't allow Taiwan airlines to use Narita international airport and the to-be-opened Kansai international airport, the two airports used by Mainland Chinese airlines.

The Taiwan-Japan route is currently being served only by China Airlines and Japan Asia Airways.

#### **MAC Ready To Discuss Hong Kong Air Link With Beijing**

*OW2508123794 Taipei Voice of Free China in English 0200 GMT 25 Aug 94*

[Text] For the first time ever, the Mainland Affairs Council [MAC] said Tuesday [23 August] it will not oppose direct talks with Mainland China over Taiwan's dealings with Hong Kong after 1997. The council said the issue might be on the agenda of the next round of cross-strait talks.

The news is a reversal for the council's earlier position that Taiwan should not negotiate with Mainland China over post 1997 Hong Kong. Political observers said the policy change reflects the view that several rounds of talks with Hong Kong brought no results. So Taiwan is now looking to Peking [Beijing] to resolve the issue of air travel to Hong Kong.

The Mainland Affairs Council said it will be advisable if mainland authorities permit Wang Tao-han [Wang Dao-han], chairman of the Association for Relations Across the Taiwan Strait, and the Straits Exchange Foundation Chairman Ku Cheng-fu to tackle the issue of air links between Taiwan and Hong Kong at their next meeting.

#### **Lien Chan Pledges Crackdown To Boost Confidence**

*OW2508120794 Taipei Voice of Free China in English 0200 GMT 25 Aug 94*

[Text] Premier Lien Chan pledged Tuesday [23 August] that the government will do its utmost to intensify the crackdown on illegal premises and safeguard social order in a bid to prop up investment willingness at home.

He made the statement when meeting with 50-odd representatives from the three big national industries and business organizations. Lien said, although Taiwan's economic development has some bottlenecks, including high land prices, labor shortages and environmental protection problems, the economy is still doing well. Economic growth for this year is expected to exceed 6 percent. The business leaders expressed great concern over the increased financial burden shouldered by employers with the implementation of the national health insurance program. In a written deposition, Chairman Jeffrey Ku of the Chinese National Association of Industry and Commerce, called on the government to coordinate the trades of Taiwan's investors

(?and develop) relations with friendly countries without diplomatic ties with Taiwan.

### Central Bank of China Concerned at 'M2' Money Supply

OW2508143494 Taipei CNA in English 1305 GMT 25 Aug 94

[By Flor Wang]

[Text] Taipei, Aug. 25 (CNA)—The broadly defined M2 money supply has successively grown higher in the past four months, causing concern for the Central Bank of China (CBC).

Although the annual growth rate of the M2 supply slowed down to 15.42 percent in July from June's 15.65 percent and May's 15.73 percent, it still outpaced the 15-percent ceiling set by the CBC. CBC officials said the bank will continue to retrieve excess money from banking institutions in order to maintain the M2 annual growth rate within 10-15 percent.

The M2, the broadest measure of a country's total money stock, includes demand deposits, checking accounts, currency in circulation and quasi money (including time deposits and treasury bills.)

Meanwhile, the narrowly defined M1A and M1B money supply also hit five-month highs of 15.53 percent and 19.7 percent, respectively, in July.

The officials attributed the new highs to the increased money deposited in checking and demand accounts. They said a booming stock market has prompted stock players to withdraw their money from time-deposit accounts and put it into checking and demand accounts in order to have money available for stock deals.

The M1A money supply comprises cash, checking and demand accounts, while the M1B money supply includes M1A plus passbook savings deposits.

### 'Little Dragon' Economic Growth 2d Highest in 1993

OW2508143394 Taipei CNA in English 1301 GMT 25 Aug 94

[By Bear Lee]

[Text] Taipei, Aug. 25 (CNA)— Taiwan posted the second-highest economic growth rate among the four Asian newly industrialized economies for 1993, according to the Directorate General of Budget, Accounting and Statistics (DGBAS).

Against a backdrop of global recession and the rising new Taiwan [NT] dollar, Taiwan's economy grew by 5.94 percent last year, thanks to the increase in its industrial production and in public and private investment.

The 5.94 growth rate, though slightly lower than 1992's 6.02 percent growth, was still higher than South Korea's 5.6 percent growth and Hong Kong's 5.5 percent growth. Singapore led the four "little dragons" with 9.9 percent growth.

With a per-capita income of U.S.\$10,550, a product and service trade surplus of U.S.\$4.07 billion, and a five-year low consumer price index growth of 2.94 percent, the DGBAS said Taiwan's 1993 economic performance was "relatively good" in comparison with other countries in the world.

It added that last year's average after-tax income for a Taiwan family was NT\$730,000 (U.S.\$27,500) with the earnings gap between the top 20 percent and the lowest 20 percent of families widening to 5.42 times.

The DGBAS said that although the income differential is widening, that growth is moderate compared with the average seven-fold gap for industrialized countries and a gap of up to 10 times for developing countries.

It added that the average income for the middle 60 percent of families increased 14.3 percent to NT\$660,000 (U.S.\$25,000), exceeding the 13.8 percent growth for the top earning families.

Meanwhile, the Central Bank of China on Thursday [25 Aug] adjusted upward its 1994 economic growth forecast from 6.01 percent to 6.04 percent.

The bank said the adjustment was made in consideration of increases in both government spending and the country's expanding balance-of-payments surplus.

## Hong Kong

### Sources Say Sino-British Liaison Group To Meet in Sep

OW2508114494 Beijing XINHUA in English 1119  
GMT 25 Aug 94

[Text] Hong Kong, August 25 (XINHUA)—The Sino-British Joint Liaison Group will meet in September, but no exact date has been fixed for the meeting, according to reliable sources here today.

Zheng Guoxiong, deputy director of the XINHUA NEWS AGENCY Hong Kong branch, Wednesday [24 Aug] said that he hoped that the forthcoming meeting would be fruitful.

He noted the Chinese side deemed that the work of the liaison group should be accelerated and that the British side should take an active attitude to solve practical problems concerning the livelihood and economy in the territory.

On another occasion Wednesday, Zheng described the territory's situation in the past year as continuing to proceed in the direction of a smooth transition.

He stated this was mainly resulted from the situation in China and throughout the world, which is favorable to the Chinese Government's settlement of the Hong Kong issue.

The increasingly stronger patriots in Hong Kong also have contributed a lot to this end, Zheng added.

He stressed that under the circumstances that the British side offered no political cooperation, the Chinese side would rely on its own strength to ensure the smooth transfer of power in 1997.

### Qian Qichen Interviewed on Sino-British Ties

HK2608094094 Hong Kong Commercial Radio in  
Cantonese 0700 GMT 26 Aug 94

[From "Hong Kong at This Minute" program: "Exclusive Interview With Qian Qichen By Reporters Chen Shu-mei and Lo Fa"]

[Excerpts] [Chen Shu-mei] We have just returned from Beijing. While in Beijing, we were lucky to have an opportunity to interview Qian Qichen, vice premier and foreign minister.

[Lo Fai] As everyone knows, the Chinese and British foreign ministers are to meet in New York next month. [passage omitted]

[Lo Fai] Qian disclosed that China is serious about the meeting as a rather long time will be set aside for the two foreign ministers to hold talks in New York. [passage omitted]

[Qian, in Mandarin] I will meet the British Foreign Secretary at the United Nations this year. We have

arranged a rather long time for the talks so the meeting should be very serious. On the Chinese side, we hope that Hong Kong will maintain a smooth transition and continue its prosperity. However, this depends on whether Britain adopts a cooperative attitude.

If Britain wants to improve ties with China but creates trouble on the Hong Kong issue, this will be contradictory. If they want to improve ties with China and can take a minimum cooperative attitude, I suppose that would not be contradictory and progress can be made.

In my opinion, the improvement in Sino-British ties lies with the British rather than the Chinese side. It is hard to predict now whether fruitful results can be achieved. [end recording]

[Lo Fai] Regarding Qian's remarks, we also asked the British Foreign Office and a spokesman stressed that Foreign Secretary Hurd is looking forward to his meeting with Qian Qichen in New York at the end of September.

[Chen Shu-mei] The spokesman explained that the meeting is in accordance with the memorandum signed on Hong Kong's new airport. The two sides will discuss a wide range of issues, including the work of the Joint Liaison Group and the problems outstanding between the two countries. The most important thing, of course, is the overall improvement in Sino-British relations. Nevertheless, the Chinese side is determined to set up a new stove.

[Qian] As no agreement has been reached between China and Britain on Hong Kong's 1994 and 1995 elections, I think the elections can only be seen as a unilateral action taken by the Hong Kong British authorities. As a result, the political framework, including the legislators, will have to end their term of office on 30 June 1997. After that date, the Hong Kong Special Administrative Region [SAR] will elect its new legislature and set up a political framework through elections held in light of the Basic Law and relevant decisions by the National People's Congress [NPC]. In my opinion, this will not have any impact on the entire smooth transition.

Hong Kong's executive organs and the civil servants will continue operation at their posts as usual. The only problem is that the chief officials are to be appointed by the central government. The legislature and other organs will also be established through elections. So I do not think that setting up another stove will affect a smooth transition. [passage omitted]

[Chen Shu-mei] It seems that Hong Kong people can only expect China and Britain to remove their differences during the transition period and return to the track of cooperation.

[Lo Fai] We also hope that positive results can be achieved at the meeting between the two foreign ministers in New York next month.

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**Pro-PRC Think Tank Presents Counter-Proposal on Pension**

*HK2608102194 Hong Kong SOUTH CHINA MORNING POST in English 26 Aug 94 pp 1, 6*

[By Chris Yeung]

[Text] A pro-China think-tank's proposal for retirement protection has emerged as Beijing's counter-proposal to the Government's compulsory Old Age Pension scheme.

Mainland officials said yesterday they found the package formulated by the One Country, Two Systems Economic Research Institute more palatable in tackling the problems of retirement protection and elderly welfare. One senior official said: "Our initial studies on the government scheme suggest it does not work. What has been debated in the past decades is retirement protection, not elderly welfare. We ought to first solve the problem of retirement protection. The Government scheme is indeed a kind of allowance for everyone including those who don't need the money," the official, who preferred anonymity, said.

He said the proposals made by the pro-Beijing think-tank went in the right direction of addressing the issue of retirement protection. The package has been submitted to the Beijing-appointed Preliminary Working Committee (PWC), whose two sub-groups studying economic and social issues were looking into the issue of retirement protection.

Some PWC members have privately expressed support for the scheme. Chinese officials stressed that they remained openminded and had yet to come to any conclusion on the issue.

The package formulated by the think-tank comprises two components. A mixed compulsory pension scheme would be introduced to provide retirement protection for the working population. The Government would set up an elderly welfare fund for allowances to senior citizens whose income, savings and assets were low when they retire. Under the compulsory pension scheme, employees can choose either to put their pension under the management of a government-run fund or in privately run funds.

Executive director of the pro-Beijing think-tank Shiu Sin-por argued that the government scheme had failed to address the two issues of retirement protection and elderly welfare.

"Don't fool yourself. The two problems will not go away [even with the scheme]. It's just a guarantee that elderly people will not starve to death. When people talk about how to solve the problem of food and clothing, the Government is telling everyone 'Let's spend a day in Ocean Park'."

Mr Shiu, also a Hong Kong Affairs Adviser, said more than 80 to 90 percent of the beneficiaries under the government scheme simply did not need the pension of

\$2,300—a proposed payout at 1994 price levels all eligible person above 65 are entitled to get. Moreover, the plight of those who needed the extra cash could not be solved as the amount of payment would be low because it failed to cope with inflation, he said.

Mr Shiu said the "fatal flaw" of the government scheme was that it could not replace the need for another scheme for retirement protection, which would be "inescapable". He accused the Deputy Secretary for Education and Manpower Lam Woon kwong of misleading businessmen when he said the contribution of 1.5 percent of the employees' salary would be more favourable than those of a pension scheme, which would be at least five percent.

"That would be at least 6.5 percent because employers will have to pay for another pension scheme sooner or later. It's just a stalling tactic. They know that they could not implement a retirement protection scheme in three years. And they don't want to. The present scheme is being used to deflect public attention," Mr Shiu said.

Mr Lam could not be reached for comment.

Mr Shiu said the Government had earlier rejected the idea of a compulsory retirement scheme because it could not provide a guarantee on the operation of the pension management fund.

**Acting Governor Confident on Polls Despite NPC Resolution**

*HK2608101894 Hong Kong SOUTH CHINA MORNING POST in English 26 Aug 94 p 6*

[By Ada Yuen and Lok Wong]

[Text] Acting Governor Anson Chan Fang On-sang is confident that China's move to pass a resolution on the disbandment of the territory's three-tier political structure in 1997 will not adversely affect the district board polls.

"It is quite clear from the fact that we have a record number of nominations to participate in September's district board elections that the public has faith in the electoral system," she said yesterday. "They believe that this is a fair and open system and through this system will be elected those who can best represent their interests."

Mrs Chan made the remarks one day after the Chinese National People's Congress Standing Committee began discussing a resolution that states the three-tier structure will be dissolved on July 1, 1997. The top legislators are set to approve the resolution initiated by a group of 32 Hong Kong and Guangdong NPC deputies at an annual plenum in March—during its current eight-day meeting.

Mrs Chan maintained that the issue was a matter for the NPC. But she emphasized that any decision to be taken by the Chinese side should serve the best interests of Hong Kong people. Nevertheless, Mrs Chan insisted that

the present electoral arrangements complied with the Joint Declaration and the previous understandings reached between the British and the Chinese governments. China was adamant that the three-tier structure should be re-constituted after 1997 because it violated the Joint Declaration, the Basic Law and the previous accords between the two governments.

Director of Hong Kong Director of Hong Kong and Macao Affairs Office Lu Ping said earlier this week he was pessimistic about cordial talks between Vice-Premier Qian Qichen and British Foreign Secretary Douglas Hurd in New York later next month. Mrs Chan, however, was hoping that the high-level talks would lead to discussion on future co-operation on transitional matters.

Meanwhile, Secretary for Economic Services Gordon Siu Kwing-chue yesterday stressed that Britain was sincere in striking an early deal with China on the financial arrangements for the Chek Lap Kok airport plan. He said experts at the Sino-British Joint Liaison Group were still in contact on the draft agreement on how to fund the project. Mr Siu said they hoped to finalise the financial accord before the Qian-Hurd meeting, but was noncommittal on whether that could be done.

#### **Textbook Publisher Defends Softening 4 Jun References**

HK2608102394 Hong Kong *SOUTH CHINA MORNING POST* in English 26 Aug 94 p 3

[By Stella Lee]

[Text] A publisher yesterday defended his decision to tone down references to the June 4 crackdown in a history textbook, saying it was not self-censorship.

Manhattan Press executive director Jeffrey Shum Hing-wa said they were just following the Education Department's advice to rewrite the textbook. Mr Shum said: "The department had some opinions, we had to follow. But I do not view this as a kind of self-censorship."

The latest version of the Chinese text reads: "Following the economic reforms, phenomena like inflation, unbalanced development and corruption by officials emerged in China, and these had aroused government concern and dissatisfaction of some members of the public. In May 1989, young students protested at Beijing's Tiananmen Square. In June, the Government intervened to end the situation."

The phrase "people from all walks of lives" in the original text has been replaced by "some members of the public". Newly added phrases are the inflation and development problems, and the government concern.

Mr Shum said rewriting the text had delayed the publication by more than a month and more than 10 inquiries a day had been received from parents and schools to check if the book was ready. Another publisher, Lingkee

Publishing, has also changed the reference in a footnote from "clearing of Tiananmen Square" to "Tiananmen Square events" in a new history textbook. Academics said the changes were "damages" resulting from the way the Education Department had handled the incident.

Director of Education Dominic Wong Shing-wah advised Manhattan Press to remove references to June 4 as history within the last 20 years without established assessment should not be covered in school history textbooks. He later backed down and said such events should be handled with care.

A history teacher Leung Hing-lok said publishers should learn to exercise their academic autonomy appropriately. Senior lecturer of Chinese University's history department, Dr Kwok Siutong, said legislators should push harder at the department and Chief Secretary Anson Chan Fang On-sang to admit mishandling the incident. Dr Kwok criticised Mrs Chan, who had said the department had not mishandled the case as there was no political motive, for trying to protect the department.

#### **Bar Association Plans Beijing Law Resources Center**

HK2608104194 Hong Kong *EASTERN EXPRESS* in English 26 Aug 94 p 4

[By Mary Luk]

[Text] The Bar Association is considering setting up a common law resources centre in Beijing to enable more lawyers on the mainland to understand Hong Kong's legal system. The association's chairman, Ronny Wong Fook-hum QC, announced the plan yesterday after leading an association delegation on a five-day visit to China. Wong said the director of the Hong Kong and Macao Affairs Office, Lu Ping, had indicated that China lacked references on Hong Kong's common law derived from precedents rather than statutes.

Wong said Lu asked if the Bar could provide books about common law in Hong Kong and examples of court cases. "I will ask Bar Council members and other barristers to consider if a common law resources centre can be set up in Beijing to help Chinese lawyers study the law," he said. "It will be beneficial to both jurisdictions. The essence of our legal system is common law and one way of promoting our law in China is to help mainland lawyers understand it."

The 20-member delegation visited the Chinese capital at the invitation of the All China Lawyers Association to exchange views on the Court of Final Appeal and the maintenance of Hong Kong's legal system.

Lu told the delegation that all judges currently working in Hong Kong, whether locals or expatriates, were regarded as local judges. Lu reiterated that there would be no nationality requirement for local and permanent judges working in Hong Kong after 1997.

Wong quoted Lu as saying China wanted to set up the Court of Final Appeal before 1997 despite several problems that needed to be resolved. The association told Lu it was concerned that Hong Kong would experience a "legal vacuum" after 1997 because of the differences between the two legal systems.

Lu indicated that the Preliminary Working Committee had reviewed 108 Hong Kong ordinances and its preliminary conclusion was that the legislation was not inconsistent with the Basic Law.

Wong said: "We have made the point that working groups on legal issues must be transparent. I think the message has been conveyed to Lu and we expect full cooperation with China to ensure the Bar can be advised properly in relation to the effect of ordinances in Hong Kong." Wong declined to say whether or not the visit had been "fruitful." "Whether the visit is successful depends on the assessment of Bar members," he said. "Any assessment by myself will be far too subjective."

Last night, Wong reported the results of the visit to the Bar Council. Wong said aside from the controversial point of the ratio of local judges to foreign judges in the Court of Final Appeal, there were many other issues like court resources which had to be discussed in detail. He said the Bar would determine its stand after a debate about the Court of Final Appeal next month.

Wong confirmed that a nine member delegation from the All China Lawyers' Association, would visit Hong Kong on November 14 at the invitation of the Bar. The Chinese delegates will brief Bar members about the legal system in China, the origin of Chinese laws and the functions of its courts.

### **Cambodia Tries To Attract Hong Kong Investors**

HK2608103094 Hong Kong EASTERN EXPRESS in English 26 Aug 94 p 1

[By staff reporter]

[Text] Tired of Toronto? Suffering in Sydney? Nauseated by New York? Fancy somewhere completely different?

The answer is simple—try Cambodia.

The Second Prime Minister, Hun Sen, has put out an unlikely welcome mat to wealthy Hong Kong would be emigrants looking for somewhere to settle after 1997. "Hong Kong people have capital and technology," he said. "Among them we've seen that Singapore has accepted 10,000 families already," he told parliamentarians in Phnom Penh during a debate on a new immigration law. "As for us—we also want them for 1997."

The government has made the wooing of foreign investment a priority to help revive an economy slowly recovering from more than two decades of civil war. Hun Sen will have to woo a little harder if Cambodia is to replace Canada, the United States, and Australia as a designer destination for Hong Kong's ever-mobile entrepreneurs.

A Hong Kong immigration lawyer, Pierre Saint-Louis, said: "This is a joke, nobody will go. It's simply a desperate way to get some money. It will definitely not create a channel or destination in the immigration business. Certainly not as long as the Khmer Rouge are there."

The army is still battling a sporadic guerrilla war waged by the Khmer Rouge. He said Hong Kong people were extremely sensitive to political instability in other countries. "We are getting a lot of questions about next month's elections in Quebec," he said. "To some of them it's the end of the world."

Some tips for those who do accept the Cambodian offer might include taking along a mine detector, ample funds to pay the inevitable Khmer Rouge ransom demand, and the typed translation for: "I've always thought Pol Pot was a terribly nice fellow."

On the bright side, Cambodia offers ample scope for property developers. Decrepit old structures such as Angkor Wat could make way for the traditional Hong Kong monument to civilization, the high-rise block of flats. A small replica of the Khmer ruins would be erected next to the 7-eleven for posterity.

And the Khmer Rouge? The average Hong Kong hustler would be too busy on a mobile phone even to notice them.

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